



Health Policy Briefing

September 5, 2017

HHS to Cut ACA Advertising Budget

The U.S. Department of Health and Human Services (HHS) announced its decision to reduce the budget for promotion of the Affordable Care Act (ACA) last week. HHS will lower spending on Obamacare advertising and outreach from \$100 million last year to \$10 million going forward. The Administration also plans to cut payments for health insurance navigators, who assist people in choosing a health insurance option, by 39 percent. In order to increase accountability, funding for navigators will be proportional to how successful a navigator was in meeting their enrollment target the previous year. The decision has been strongly criticized by congressional Democrats, who believe that the move will make it more difficult for Americans to access coverage. HHS officials are planning on setting a goal for exchange enrollment for the coming year, but the target has not yet been announced.

FDA Announces New Stem Cell Policy

The Food and Drug Administration (FDA) will advance a new policy framework for stem cell therapies in the coming months. The FDA hopes to establish which regenerative medicine products are sufficiently complex to be considered within the agency’s regulatory authority, and to define a process for evaluating stem cell therapies for safety and effectiveness. The decision follows the FDA’s announcement that the company US Stem Cell Clinic marketed stem cell products without FDA approval. The Agency found that the firm’s deviations from current good manufacturing practice requirements may have affected the sterility of their products and put patients at risk. The FDA requests a response from the company within 15 days. The House Energy and Commerce Committee also announced that it plans to conduct a review of companies selling unproven stem cell treatments.

President Nominates ONDCP Director

The White House has announced President Trump’s intent to nominate Rep. Tom Marino (R-Pa.) as director of the Office of National Drug Control Policy (ONDCP). Rep. Marino previously served as U.S. attorney for the Middle District of Pennsylvania under President George W. Bush.

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OIG Uncovers Unreported Abuse in Nursing Homes

The Inspector General for the U.S. Department of Health and Human Services (HHS) has found 134 cases of Medicare beneficiaries sustaining injuries as the result of abuse or neglect of nursing homes in the past two years. Evidence indicates that 28 percent of these cases were not reported to law enforcement. According to the early alert memorandum sent to Seema Verma, head of the Centers for Medicare and Medicaid Services (CMS), the agency lacks adequate procedures to assure that abuse and neglect of skilled nursing home residents are identified and reported. A more detailed report on detecting beneficiary abuse from the Inspector General is forthcoming.

State and Local Policymakers Comment on Market Stabilization

The State Health Exchange Leadership Network has written to the Senate Health, Education, Labor, and Pensions (HELP) Committee with a plan to stabilize the individual insurance market. The group, which is comprised of state health officials, recommends federal assurance of funding for cost-sharing reduction (CSR) payments, and the establishment of a permanent, federal reinsurance program. Ohio Governor John Kasich (R) and Colorado Governor John Hickenlooper (D) have also released their own market stabilization health-care reform proposal. The bipartisan plan would retain the individual mandate, at least in the short-term, and fund CSR payments through at least 2019. Kasich and Hickenlooper support the creation of a temporary stability fund to bring down premiums and assure coverage of the sickest enrollees. Their recommendations, which were also signed by the governors of Nevada, Virginia, Alaska, Louisiana, Pennsylvania, and Montana, were sent to House and Senate leadership.

Finance Committee Schedules CHIP Hearing

The Senate Finance Committee will hold a hearing on the reauthorization of the Children's Health Insurance Program (CHIP) on Thursday. Funding for the program expires at the end of the month, and lawmakers still have to determine the duration of the reauthorization, whether to open reauthorization to the attachments of additional measures, and whether to continue the federal matching funds first started by the Affordable Care Act (ACA). State health officials have warned lawmakers that any delay to reauthorization or significant changes to the CHIP program will require many states to rewrite their budgets.

Upcoming Congressional Hearings and Meetings

Senate Health, Education, Labor, and Pensions Committee hearing on Stabilizing Premiums and Helping Individuals in the Individual Insurance Market for 2018: State Insurance Commissioners; 10:00 a.m., 430 Dirksen Bldg.; September 6

Homeland Security and Governmental Affairs Committee hearing on The History and Current Reality of the U.S. Health Care System; 10:00 a.m., 342 Dirksen Bldg.; September 6

Senate Appropriations Committee Markup of the Labor, Health and Human Services, Education, and Related Agencies Appropriations Act, 2018; 11:00 a.m., 124 Dirksen Bldg.; September 6

Senate Health, Education, Labor, and Pensions Committee hearing on Stabilizing Premiums and Helping Individuals in the Individual Insurance Market for 2018: Governors; 9:00 a.m., 430 Dirksen Bldg.; September 7

Senate Finance Committee hearing on The Children's Health Insurance Program: The Path Forward; 10:00 a.m., 215 Dirksen Bldg.; September 7

Senate Health, Education, Labor, and Pensions Committee hearing on Stabilizing Premiums and Helping Individuals in the Individual Insurance Market for 2018: State Flexibility; 10:00 a.m., 930 Dirksen Bldg.; September 12

Senate Health, Education, Labor, and Pensions Committee hearing on Stabilizing Premiums and Helping Individuals in the Individual Insurance Market for 2018: Health Care Stakeholders; 10:00 a.m., 930 Dirksen Bldg.; September 14