



Health Policy Briefing

February 26, 2018

Administration Proposes Expansion of Short-Term Insurance Plans

The Trump Administration has proposed to increase the availability of short-term health insurance plans that are exempt from many of the Affordable Care Act's (ACA) consumer protections. The Obama Administration had reduced the plans' maximum length from one year to three months in an effort to move more people into comprehensive coverage. The White House proposal would restore the 12-month limit on short-term plans. The Trump Administration argues that the plans offer consumers cheaper coverage and expand choice, competition, and access to health care. Detractors say the plans could destabilize the individual health insurance marketplaces and would undermine popular Obamacare provisions – like protections for pre-existing medical conditions and coverage of essential health benefits (EHBs). The administration predicts that between 100,000 and 200,000 individuals would opt for short-term plans instead of Obamacare plans in 2019, and that the proposal would have a very limited impact on individual market premiums. The proposed rule is open for public comment until April 23.

E&C Hearing This Week on 8 Opioid Bills

The House Energy and Commerce Health Subcommittee announced the bills that will be the subject of the first of three legislative hearings to examine the opioid crisis and possible solutions related to the Controlled Substances Act. Wednesday's hearing will focus on the balance between enforcement and patient safety. The subcommittee will consider:

- H.R. 2851, the Stop the Importation and Trafficking of Synthetic Analogues (SITSA) Act, to clarify how controlled substances are to be regulated;
- H.R. 5041, the Safe Disposal of Unused Medication Act, to authorize the employees of a hospice program to handle controlled substances in the residence of a deceased hospice patient to assist in disposal;
- H.R. __, the Ensuring Patient Access to Substance Use Disorder Treatments Act of 2018, to update federal law to improve dispensing of implantable and injectable therapies developed to make abuse, misuse, and diversion more difficult;
- H.R. __, the Special

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Registration for Telemedicine Clarification Act of 2018, to clarify telemedicine waivers for the prescription of controlled substances via telemedicine in legitimate emergency situations;

- H.R. __, the Improving Access to Remote Behavioral Health Treatment Act of 2018, to promulgate regulations for community mental health or addiction treatment centers to register with the Drug Enforcement Administration (DEA) to engage in the practice of telemedicine;
- H.R. __, the Tableting and Encapsulating Machine Regulation Act of 2018, to give the DEA the authority to regulate the use of tableting and encapsulating machines with requirements for the maintenance of records, inspections for verifying location and stated use, and security provisions;
- H.R. 2063, the Opioid Preventing Abuse through Continuing Education (PACE) Act of 2017, to require certain training as a condition of registration to prescribe or dispense opioids for the treatment of pain or pain management; and
- H.R. 4275, Empowering Pharmacists in the Fight Against Opioid Abuse Act, to provide for the development and dissemination of programs and materials for training pharmacists, health care providers, and patients on indicators that a prescription is fraudulent, forged, or otherwise indicative of abuse or diversion.

Committee Chairman Greg Walden (R-Ore.) hopes to pass legislation related to the opioid epidemic in the House before Memorial Day weekend.

E&C Makes Inquiries Into HHS Financial Audit

The Republican leadership on the House Energy and Commerce Committee has **written** to Secretary of the U.S. Department of Health and Human Services (HHS) Alex Azar regarding the Department's non-compliance with the requirements outlined in the agency's financial audit for fiscal year (FY) 2017. Chairman Greg Walden (R-Ore.), Health Subcommittee Chairman Michael Burgess (R-Texas), and Oversight and Investigations Subcommittee Chairman Gregg Harper (R-Mo.) request information about the remediation of federal statute violations identified in the audit. The violations outlined in the letter include deficiencies in financial reporting systems, a lack of compliance with improper payment error rates, and a failure to meet the 90-day timeframe for Medicare appeal adjudication required by the Social Security Act. The lawmakers request HHS to respond within 30 days with a timeline for completion of each remedial action the Department plans to take.

Bipartisan Lawmakers Request Help in Limiting Online Drug Trade

Sens. Chuck Grassley (R-Iowa) and Dianne Feinstein (D-Calif.) have written to **Google, Microsoft, Yahoo,** and **Pinterest** regarding the role internet search engines and online marketplaces can play in combating the epidemic of opioid misuse and abuse. The lawmakers ask the companies to consider removing from their platforms content that advertises the use of or enables the sale of illicit narcotics, including prescription drugs without a valid prescription.

CDC Requests Funds for New High-Threat Lab

The Centers for Disease Control and Prevention (CDC) is asking Congress for more than \$400 million in discretionary funds to build a new high-containment lab to work with the highest-threat germs like Ebola, smallpox, and new forms of flu. While the current lab building opened only 13 years ago, the agency believes a new building is necessary to update the complex systems and infrastructure used to secure and contain the dangerous infectious agents.

Governors Release Bipartisan Health Reform Blueprint

A bipartisan group of governors have released a **blueprint** for creating a lower cost, higher quality health care system that stabilizes the individual health insurance market and prioritizes value-based care. The plan was released last week by Govs. John Hickenlooper (D-Colo.), John Kasich (R-Ohio), Bill Walker (I-Alaska), Tom Wolf (D-Pa.), and Brian Sandoval (R-Nev.). The group recommends restoration of cost-sharing reduction (CSR) payments, consideration of the social determinants of health in the Medicaid program, incentives for healthier lifestyles, a shift toward value-driven care in Medicaid and state employee benefits, and an elimination of the health insurance tax for underserved areas. They urge the federal government to cut excessive red tape and encourage increased competition in the private sector to address provider system consolidation. The governors also call for passage of the Alexander-Murray stabilization package. The blueprint notes the importance of a more streamlined, faster Medicaid waiver request process for states to have more flexibility and control over certain innovations, like in the areas of mental health care, prescription drug benefits, and essential health benefits (EHBs). Gov. Kasich has estimated that the blueprint could save the federal government \$1 trillion in safety-net program spending alone.

Azar Stresses the Importance of MAT

In his remarks delivered to the National Governors Association last weekend, U.S. Department of Health and Human Services (HHS) Secretary Alex Azar touted medication-assisted treatment (MAT) as an essential component of addressing the nation's epidemic of opioid abuse. The Secretary spoke about the substantial evidence supporting the efficacy of MAT in treating opioid addiction, and about the difficulty many patients face in obtaining this form of treatment. Azar stated that the Food and Drug Administration (FDA) plans to release two new draft guidances to clarify the evidence necessary for approval of new forms of MAT, such as injectable forms of buprenorphine, and to encourage new ways to evaluate the effects of MAT formulations.

CDC Releases Latest Estimate on Health Insurance Coverage Rates

According to the latest **figures** from the Centers for Disease Control and Prevention (CDC), the uninsurance rate remained at historic lows through September 2017. During the first three quarters of the year, only nine percent of people – 28.9 million – in the U.S. were without health insurance. While this figure is not significantly different compared to 2016 rates, it is 19.7 million fewer persons uninsured than in 2010, when the Affordable Care Act (ACA) was first enacted.

WH Economic Report Considers Medicaid, Drug Prices, Health Care Consolidation, Obesity

The White House has released the Council of Economic Advisers' Economic Report of the President, which outlines the Administration's key economic principles. Among other subjects, the report expresses concerns about the unsustainability of the Medicaid program. It also reiterates the President's focus on policies to improve drug price competition. The new report indicates that entitlement programs are responsible for artificially raising drug prices. Medicare Part D, for example, prohibits tier-based cost-sharing formularies for low-income enrollees. According to the report, drug companies inflate private sector prices to collect higher post-rebate prices in Medicaid's best price program – particularly when the Medicaid population is a large share of the drug's market. The White House report attributes the decline of independent physician practices to the establishment of the meaningful use criteria, citing the cost of purchasing and maintaining electronic medical records that comply with federal reporting requirements. The report also includes a chapter on rising obesity rates.

Upcoming Congressional Meetings and Markups

Senate Health, Education, Labor, and Pensions (HELP) Committee hearing “The Opioid Crisis: The Role of Technology and Data in Preventing and Treating Addiction;” 10:00 a.m., 430 Dirksen Bldg.; February 27

House Judiciary Subcommittee on Regulatory Reform, Commercial and Antitrust Law hearing “Competition in the Pharmaceutical Supply Chain: The Proposed Merger of CVS Health and Aetna;” 2:00 p.m., 2141 Rayburn Bldg.; February 27

House Oversight and Government Reform Subcommittee on Healthcare, Benefits, and Administrative Rules “An Obamacare Failure: The Multi-State Plan Program;” 2:00 p.m., 2154 Rayburn Bldg; February 27

House Energy and Commerce Health Subcommittee hearing “Combating the Opioid Crisis: Helping Communities Balance Enforcement and Patient Safety;” 10:00 a.m., 2123 Rayburn Bldg.; February 28

House Veterans’ Affairs Subcommittee on Health field hearing “VA Healthcare: Maximizing Resources in Puerto Rico;” 10:00 a.m., San Juan, PR; March 12

House Veterans’ Affairs Subcommittee on Health hearing “FY 2019 Department of Veterans Affairs Budget Request for the Veterans Health Administration;” 10:00 a.m., 334 Cannon Bldg.; March 15