



## Health Policy Briefing

May 7, 2018

### WH Rescission Request Expected Early This Week

The White House plans to ask Congress for \$11 billion in discretionary spending cuts from old funding accounts early this week. The rescission request is expected to impact years-old spending that has been approved but not yet spent and is not expected to affect money included in the \$1.3 trillion omnibus spending package passed by Congress earlier this year. It is the first in a series of claw backs the White House plans to make over the course of this year. Congress has 45 days to consider the request before it expires. During that time, the funding outlined in the rescission package is frozen and unable to be spent by federal agencies. For more information on the rescission process, history, and potential impact on health programs, please refer to the Hart Health Strategies Inc. document titled “Rescission Explained: A Primer on the Impoundment Control Act,” attached to this week’s newsletter.

### Trump to Deliver Drug Price Address Tuesday

President Trump’s speech on the price of prescription drugs will take place on Tuesday, May 8, according to latest reports. The President is expected to outline his plans to lower drug costs. The speech had originally been scheduled for April 26 but was postponed when Secretary of the U.S. Department of Health and Human Services (HHS) Alex Azar was hospitalized. According to Azar, the President’s plan extends beyond the proposals contained in his 2019 budget.

The speech is expected to address high list prices, high out of pocket costs for Medicare beneficiaries, 340B program reform, and the issue of foreign nations benefiting from high drug prices in the United States.

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### ***White House Considers Long List of Candidates for VA Secretary***

Several new candidates under consideration for secretary of Veterans Affairs (VA) were reported last week, including White House Chief of Staff John Kelly. Ron Nichol, senior adviser to the Boston Consulting Group, is also under consideration. Nichol helped oversee Trump's presidential transition. Samuel Spagnolo, president of the National Association of Veterans Affairs Physicians and Dentists, is also being reviewed as a potential candidate. Previously reported names on the short list for the position include Ascension CEO Anthony Tersigni, former Florida representative and VA Committee Chairman Jeff Miller, and the acting VA Secretary Robert Wilkie. White House officials have said that the President intends to take time to find the right person for the position.

Meanwhile, Robert Wilkie's appointment as acting Veterans Affairs Secretary following the dismissal of former Secretary David Shulkin has drawn a court challenge. Democracy Forward, in conjunction with VoteVets, has filed a lawsuit seeking an injunction against Wilkie, claiming that the President violated the Federal Vacancies Reform Act. The groups argue that the position should fall to Deputy Secretary Thomas Bowman. "The President may bypass the default order of succession, but only if the previous officeholder dies, resigns, or is otherwise unable to serve in the office – not if the previous officeholder is fired," the suit states. Wilkie had previously served as Undersecretary for Defense for Personnel and Readiness.

### ***Spotlight on Universal Flu Vaccine***

Bill Gates is in talks with President Trump about the development of a universal flu vaccine. According to Gates, the two had an energetic conversation focused on global health security, innovation, and the possibility of a vaccine to provide protection against a range of seasonal and animal flu viruses. President Trump went on to discuss the idea with Commissioner of Food and Drugs Scott Gottlieb. The Gates Foundation is offering \$12 million in seed money for products that would aid in the development of a universal influenza vaccine.

In related news, a Phase 2 clinical trial of an investigational universal influenza vaccine sponsored by the National Institute of Allergy and Infectious Diseases (NIAID) has begun. The study is being conducted at four sites across the country that are a part of the Vaccine and Treatment Evaluation Units (VTEUs). The trial is testing an experimental vaccine called M-001 for safety and its ability to produce broad protective immune responses against multiple strains of the flu virus both on its own and in combination with a standard seasonal influenza vaccine.

### ***Insect Disease Transmission Increases Three-Fold***

New data from the Centers for Disease Control and Prevention (CDC) shows that the number of disease transmissions caused by mosquito, tick, and flea bites has seen a three-fold increase over the past decade. The number of confirmed transmissions increased from 27,000 in 2004 to 96,000 in 2016, with more than 640,000 cases of illness attributed to insect transmission in that time span. The number of diseases spread by these bugs has increased as well; the CDC identified nine new pathogens over the 13 years. The agency warned that the nation is not fully prepared to combat a viral outbreak of bug-borne illness, and that public health departments need to do more to control mosquito, tick, and flea populations.

### ***VA Choice Bill to Be Marked Up This Week***

House Veterans' Affairs Committee Chairman Phil Roe (R-Tenn.) has introduced H.R. 5674, the *VA Mission Act*. The legislation combines three proposals which have already been considered by congressional veterans' panels to address veteran access to health care. The Veterans Choice Program is currently scheduled to run out of money in the first two weeks of June. H.R. 5674 includes \$5.2 billion to address this funding shortfall and keep the Choice program running through next year. At this point, the legislation would create an entirely new program to allow veterans access to private-sector care paid for by the VA, eliminating the current waiting period and distance requirements under the Choice program. Veterans would also be allowed to seek community care outside the VA if the veteran and their provider agree that it is the best method of treatment. A version of the VA Mission Act was set to be included in the latest omnibus spending legislation but was blocked by House Democrats who were concerned about the privatization of veteran health care. The VA Mission Act is expected to be considered by the House VA Committee on Tuesday. In a Twitter post last week, the President called for Congress to pass legislation to fix the VA Choice program by Memorial Day, stating that he would sign a bill "immediately."

### ***New Study Details Deaths Attributable to Synthetic Opioids***

The Journal of the American Medical Association (JAMA) has published a new **report** detailing the emergence of synthetic opioids as the leading cause of opioid overdose deaths. Researchers found that 46 percent of such overdose deaths in 2016 were the result of illicit synthetic opioids like fentanyl. This is a three-fold increase from 2010, when synthetic drugs were the cause of only 14 percent of opioid-overdose deaths.

### ***Pallone Requests Feedback on Long-Term Care Benefit Plan***

House Energy and Commerce Committee Ranking Member Frank Pallone (D-N.J.) has released a **proposal** to create a new long-term care services and supports benefit within the Medicare program. The *Medicare Long-Term Care Services and Supports Act*, currently in discussion draft form, would establish a standard cash benefit for Medicare beneficiaries and those under the age of 65 who meet certain disability thresholds. The benefit would begin after a two-year waiting period, which would function as a deductible. The benefit could be used toward all long-term care services and supports, and would include incentives for people to seek care at home. The benefit could also be used toward family caregivers and respite care. Rep. Pallone is requesting stakeholder feedback on the draft be sent to [ECDem.comments@mail.house.gov](mailto:ECDem.comments@mail.house.gov) by June 15.

## Upcoming Congressional Meetings and Markups

*House Energy and Commerce Oversight and Investigations Subcommittee hearing “Combating the Opioid Epidemic: Examining Concerns About Distribution and Diversion;” 10:00 a.m., 2123 Rayburn Bldg.; May 8*

*House Ways and Means Health Subcommittee hearing “The Current Status of and Quality in the Medicare Advantage Program;” 10:00 a.m., 1100 Longworth Bldg.; May 8*

*House Appropriations Committee markup of FY 2019 Military Construction and Veterans Affairs Appropriations Bill and FY 2019 Legislative Branch Appropriations Bill; 10:00 a.m., 2359 Rayburn Bldg.; May 8*

*House Education and the Workforce Subcommittee on Workforce Protections hearing “The Opioid Epidemic: Implications for the Federal Employees’ Compensation Act;” 10:00 a.m., 2175 Rayburn Bldg.; May 8*

*House Judiciary Committee hearing “Challenges and Solutions in the Opioid Abuse Crisis;” 10:00 a.m., 2141 Rayburn Bldg.; May 8*

*Senate Special Aging Committee hearing “Insulin Access and Affordability: The Rising Cost of Treatment;” 10:00 a.m., 562 Dirksen Bldg.; May 8*

*House Veterans’ Affairs Committee markup of pending legislation; 10:00 a.m., location TBD; May 8*

*House Energy and Commerce Health Subcommittee hearing “Improving the Coordination and Quality of Substance Use Disorder Treatment;” 1:00 p.m., 2123 Rayburn Bldg.; May 8*

*Energy and Commerce Committee markup of legislation to combat the opioid crisis; time and place TBD; May 9*

*Senate Health, Education, Labor, and Pensions Committee hearing “Examining Oversight Reports on the 340B Drug Pricing Program;” 10:00 a.m., 430 Dirksen Bldg.; May 15*

*House Committee on Veterans’ Affairs Member Day Testimony and Proposals on the Department of Veterans Affairs; 10:00 a.m., 334 Cannon Bldg.; May 16*

*House Veterans’ Affairs Health Subcommittee and Oversight and Investigations Subcommittee joint hearing “VA Research: Focusing on Funding, Findings, and Partnerships;” 10:00 a.m., 334 Cannon Bldg.; May 17*

*Energy and Commerce Committee markup of legislation to combat the opioid crisis; time and place TBD; May 17*

## Recently Introduced Health Legislation

*H.Res.864 — Recognizing the seriousness of Polycystic Ovary Syndrome (PCOS) and expressing support for the designation of the month of September 2018 as “PCOS Awareness Month”; Sponsor: Rep. Scott, David [D-GA-13]; Committees: House - Energy and Commerce*

*H.R.5646 — To require the Secretary of Health and Human Services to submit to Congress a report on opioids prescribing practices for pregnant women; Sponsor: Rep. Curtis, John R. [R-UT-3]; Committees: House - Energy and Commerce*