

June 16, 2017

On the Horizon ...

- * On June 22, the Senate Appropriations Labor, Health and Human Services, and Education, Subcommittee will hold a hearing on the National Institutes of Health FY 2018 budget request.
- * A proposed rule by CMS on the 2018 Quality Payment Program is expected this month.

TAKE ACTION

1. Keep up the Pressure on the AHCA

Senate Republicans are drafting their version of a replacement for the *Affordable Care Act* (ACA) behind closed doors, with no input from physicians or patients. Family physicians must make their voices be heard in this important debate. The AAFP urges the Senate to reject the House-passed *American Health Care Act* and pass common-sense reforms to preserve health care coverage for all Americans. Please use the [AAFP Speak Out tool](#) to call on your Senators to work toward real bipartisan solutions that lower the costs of health care and ensure greater access to comprehensive primary care.

U.S. CONGRESS

1. AAFP Urges Senate to Advance Bill to Close Coverage Gaps, Cover Essential Benefits

The AAFP joined a coalition representing over 560,000 physicians and medical students on a [letter](#) to the bipartisan leadership of the U.S. Senate expressing concerns that the legislation being drafted contains provisions that will harm patients by repealing and undermining essential coverage and patient protections established by the ACA. The letter reiterates our [shared principles](#) for health reform.

2. Senate Hearing Deals with Drugs Prices and Health Delivery Systems

On June 13, the Senate Committee on Health, Education, Labor, and Pensions (HELP) held a [hearing](#) entitled “The Cost of Prescription Drugs: How the Delivery System Affects What Patients Pay.” The hearing was the response to a bipartisan [letter](#) to Sen. Lamar Alexander (R-TN), the committee chair. Sen. Alexander announced that two other hearings are planned for this year to examine drug manufacturing and patient access. He also said that Americans live 10 years longer because of access to pharmaceutical medications. Sen. Patty Murray (D-WA), HELP’s Ranking Democrat, expressed concerns about the health care reform bill and indicated that the U.S. Food and Drug Administration is not the right agency to address drug pricing issues. The witnesses spoke on behalf of [Avalere Health](#), [Pew Charitable Trusts](#), [Manhattan Institute for Policy Research](#), and [Johns Hopkins University School of Medicine](#).

The Pew representative indicated that the rising cost of drugs was driven most by the high cost of biologic or “specialty drugs,” used by one percent of the population but representing 40 percent of drug costs. The Manhattan Institute witness expressed concerns for patients with serious chronic illnesses facing high costs for specialty drugs and recommended reforms to the 340B drug discount program to return it to its original intent of assisting hospitals that largely serve indigent

and uninsured populations. Noting that drugs are already included in hospital Medicare DRG payments, the Johns Hopkins speaker indicated that the current fee-for-service drug payment model could be disrupted by including drugs in value-based payments to put doctors in charge of deciding which drugs a patient receives instead of the pharmacy benefit manager or insurer. Sen. Todd Young (D-IA) asked about the barriers for implementing value-based drug pricing changes; Sen. Al Franken (D-MN) asked how drug prices impact patients who do not take specialty drugs; and Sen. Susan Collins (R-ME) expressed concerns that the misuse of the REMS process hinders generic manufacturers from conducting bioequivalency studies.

3. House Postpones Vote on Medical Liability Reform Legislation

The House delayed until next week a floor vote on Rep. Steve King's (R-IA) medical liability reform legislation, the *Protecting Access to Care Act* ([HR 1215](#)). The bill will help reduce liability insurance premiums and the cost of defensive medicine by enacting important reforms. AAFP supports the legislation. You can use this [tool](#) to send a message directly to your Representative to urge a yes vote on these common-sense reforms.

4. HHS Secretary Testifies to Senate Spending Panel on FY18 Request

On June 15, HHS Secretary Tom Price, MD [testified](#) before the Senate Appropriations Subcommittee on Labor, Health and Human Services, and Education at a [hearing](#) on the President's Fiscal Year 2018 budget request. Senators from both parties were critical of the cuts proposed by the FY 2018 budget for biomedical research and opioid addiction treatment. Sen. Patty Murray (D-WA), the Subcommittee's Ranking Democrat, asked if Secretary Price agreed with President Trump that the House-passed ACA repeal bill was "mean," but he demurred.

The AAFP submitted [written testimony](#) to the Senate Appropriations Committee outlining the FY 2018 funding priorities as we had in a [statement](#) to the House Appropriations Committee last March. In addition to the HHS priorities detailed in the House testimony, the AAFP's Senate testimony called on Congress to reject the elimination of the U.S. Department of Education's Public Service Loan Forgiveness program proposed in the Trump Administration's budget request released in late May.

5. House Passes Bill to Toughen Requirements for ACA Tax Credits

On Tuesday, June 13, the House passed HR 2581, the *Verify First Act*, sponsored by Rep. Lou Barletta (R-PA). The bill would prohibit the Internal Revenue Service from providing an advance tax credit to an enrollee in an ACA marketplace until the IRS determines that the enrollee is a "citizen or national of the United States or an alien lawfully present in the United States." (The advance tax credits are one of the subsidies available under the ACA to help eligible Americans purchase health coverage). The bill, which passed the House by a vote of 238-184, is an element of what GOP leaders call as the "third bucket" of the health-reform process, referring to legislation that Congress can pass outside the budget reconciliation process (and impliedly command at least 60 votes in the Senate). The AAFP did not take a position on the bill.

6. Bipartisan Pair of Senators Introduce Bill to Promote Direct Primary Care

On Wednesday, June 14, Sen. Bill Cassidy (R-LA) and Sen. Maria Cantwell (D-WA) jointly introduced a bill to promote the uptake of direct primary care (DPC). The bill, known as *the Primary Care Enhancement Act of 2017* (S 1358), would allow DPC practices to enroll people with Health Savings Accounts (HSAs) as patients, and also allow those patients to use their HSA dollars to pay the periodic fees associated with DPC. Under current interpretations of the Internal Revenue Code (which governs HSAs), those with HSAs are legally barred from enrolling in DPC, effectively shutting out millions of Americans from this model of care. The bill is the Senate counterpart to HR 365, introduced earlier this year by Rep. Erik Paulsen (R-MN) and Rep. Earl Blumenauer (D-OR).

The AAFP also participated in the DPC Summit, which occurred in Washington on June 15 and 16. The Summit brought dozens of DPC practitioners (many of whom are AAFP members) to Capitol Hill to promote the DPC model and to urge lawmakers to support the *Primary Care Enhancement Act*.

7. FamMedPAC On Record Fundraising Pace, Supports Key Legislators This Week

FamMedPAC has received over \$300,000 in donations from 1,360 AAFP members so far in 2017, putting the PAC ahead of its record pace of the last election cycle. The PAC helped raise the profile of AAFP by participating in several events in Washington, DC this week, as well as sending two AAFP members to local events for their Congressmen. Your support allows us to help promote AAFP's legislative agenda across the country. The PAC participated in events in Washington, D.C. this week for Rep. Tony Cardenas (D-CA), Sen. Tammy Baldwin (D-WI), and Rep. Mike Thompson. Dr. Randy Wexler attended an event in Ohio for Rep. Pat Tiberi (R-OH), while Dr. Chris Larson attended an event in Texas for Rep. Lloyd Doggett (D-TX).

CENTERING ON THE STATES

1. Bills of Interest

Following are a few bills that may be of interest:

- **Prescription Drug Abuse** – Connecticut has passed comprehensive [legislation](#) aimed at combatting opioid addiction and overdoses. The bill requires electronic prescriptions, facilitates the destruction of unused medication, encourages data sharing among state agencies, and requires insurance coverage to cover medically necessary inpatient detoxification treatment. The legislation awaits Gov. Dan Malloy's signature.
- **Prescription Drug Pricing** – The California Assembly has passed [legislation](#) which would allow states agencies to use their purchasing power to directly negotiate drug prices.
- **Student Loan Repayment Programs** – During the 2017 session, six states ([AR](#), [CO](#), [GA](#), [HI](#), [MT](#), and [SD](#)) passed laws creating or appropriating funds to a student loan repayment program for physicians. There is pending legislation in [NY](#), [OR](#), [PA](#), and [WA](#). New Mexico passed legislation establishing the [Physician Excellence Fund](#) but it was pocket vetoed by Gov. Doug Ducey (R).

2. Iowa Files for a Section 1332 Waiver

On June 12, the Iowa Insurance Commissioner submitted a request for a \$352 million [section 1332 waiver](#) to allow Iowa to facilitate the implementation of a \$80 million reinsurance program, premium subsidy mechanism, and standard health benefits plan to be offered to all eligible consumers for the plan year 2018. To grant this urgent request, CMS would have to permit waivers and modifications of many of the 1332 statutory and regulatory requirements. Iowa proposes that CMS broadly waive 1332's requirements under [President Trump's Affordable Care Act Executive Order](#), or alternatively simply grant its request under the Executive Order without statutory or regulatory authority.

3. Arizona Declares State of Emergency Over Opioids

Arizona Gov. Doug Ducey (R) has [declared](#) a statewide opioid overdose health emergency. The emergency declaration allows the Department of Health Services to initiate emergency rulemaking on opioid prescribing and treatment. Gov. Ducey joins Florida [Gov. Rick Scott](#) and Maryland [Gov. Larry Hogan](#) in declaring drug epidemic emergencies in their states.

EXECUTIVE BRANCH

1. AAFP Responds to 2018 Inpatient Payment Regulation

In a regulatory [comment](#) sent to CMS on June 8, the AAFP responded to the proposed rule regarding 2018 hospital inpatient payments. In the response, the AAFP applauded CMS for aligning the reporting period for Medicaid EHR Incentive Program eligible professionals who choose to report electronically with the reporting period for Merit-based Incentive Payment System (MIPS) reporting, to now also be any 90 continuous days during the 2017 performance

year. However, the AAFP expressed concern regarding a full year reporting requirement for Medicaid EPs who choose to report via attestation. The response also suggested how CMS should account for social risk factors in the Hospital Readmissions Reduction Program and what methods would be most appropriate for accounting for social risk factors. This proposed rule included a request from CMS on how to reduce administrative burdens and the AAFP provided several recommendations regarding MACRA implementation and detailed suggestions on how to improve other aspects of Medicare programs.

2. Regulatory Briefs

- On June 12, the HHS Office of Inspector General released a [report](#) indicating CMS may have mistakenly made \$729 million in EHR payments.
- On June 12, CMS published two reports, the Effectuated Enrollment [report](#) and the Health Insurance Exchanges Trends [report](#). Per the agency's release, these reports show that after selecting a plan on the Exchanges during open season which ended January 31, 2017, less than two months later nearly 2 million people had not paid their insurance premium to effectuate and maintain their health coverage.
- On June 12, the AAFP nominated Henry Barry, MD, MS, Katrina Donahue, MD, MPH, John Hickner, MD, MSc, and Craig Robbins, MD, MPH to fill vacancies on the U.S. Preventive Services Task Force (USPSTF).
- On June 13, the AAFP nominated Daron Gersch, MD, FAAFP, Kristen Nebel, DO, FAAFP, David O'Gurek, MD, FAAFP, and Dr. B. Brent Simmons MD FAAFP to the HHS Advisory Council on Alzheimer's Research, Care, and Services.
- On June 13, CMS released a county-level [map](#) of 2018 projected Health Insurance Exchanges participation based on the known issuer participation. Per the agency this map shows that insurance options on the Exchanges continue to disappear. Plan options are down from last year and, in some areas, Americans will have no coverage options on the Exchanges, based on the current data.
- On June 14, CMS released 1991-2014 health care spending by state. Per the agency, this [data](#) shows that while most states experienced faster growth in 2014 due to Medicaid expansion and enrollment in Exchange plans, per capita health spending in Medicaid expansion and non-expansion states grew at similar rates. The report also found that the most recent economic recession, which ended in 2009, and modest recovery since then, had a sustained impact on health spending and health insurance coverage. Every state experienced slower growth in per capita personal health care spending from 2010-2013 than experienced during the period 2004-2009.
- On June 15, CMS [released](#) Physician and Other Supplier Public Use File (PUF) with data for 2015. It contains summarized information on Part B services and procedures provided to Medicare beneficiaries by physicians and other healthcare professionals. The data includes information on utilization, payment, and submitted charges organized by National Provider Identifier, Healthcare Common Procedure Coding System code, and place of service. The new 2015 dataset has information for over 1 million distinct health care providers who collectively received \$94 billion in Medicare payments.