



Health Policy Briefing

April 2, 2018

Shulkin Ousted as VA Secretary

President Trump announced his decision to fire Veterans Affairs (VA) Secretary David Shulkin and replace him with Rear Admiral Ronny Jackson last week. Shulkin has been the subject of a recent inspector general investigation regarding the improper use of government funds for personal travel. There have also been numerous reports about Shulkin’s disagreements with Trump appointees about the privatization of veterans’ health services. Shulkin favored only moderate expansion of the VA Choice program, while his opponents sought more aggressive changes to the agency. In an op-ed for the New York Times published after his dismissal, Shulkin argued “privatization is a political issue aimed at rewarding select people and companies with profits, even if it undermines care for veterans.”

Top Republicans in Congress, including the chairmen of the Veterans Affairs committees, have stood by Shulkin and his work to reform the VA, while many Democrats have argued that Shulkin’s dismissal is indicative of the Administration’s goal to privatize the VA. President Trump stated that he fired Shulkin because he thought veterans were waiting too long to receive care; the White House has also denied reports that the Administration is seeking to privatize the agency.

Rear Admiral Jackson has served as a White House physician since the George W. Bush Administration. Jackson received his doctorate of medicine from University of Texas Medical Branch. In 2005, he deployed as part of the Surgical Shock Trauma Platoon in Taqaddum, Iraq, where he served as the emergency physician in charge of resuscitative medicine. Jackson’s views on the expansion of private care for veterans are unknown.

Democrats have voiced concerns about Jackson’s lack of VA leadership experience, though lawmakers of both parties have expressed hope about working with Jackson to improve the VA should he be confirmed. VA secretaries typically receive strong bipartisan support during the confirmation process. Robert Wilkie, Undersecretary of Defense for Personnel and Readiness, will serve as Acting Secretary while Jackson awaits Senate confirmation.

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In related news, Darin Selnick, a frequent critic of Shulkin, announced that he will leave his post on the Domestic Policy Council as a White House adviser and return to the VA. Selnick left the agency following disputes with the former secretary last year.

Costello Announces Plans to Retire

Rep. Ryan Costello (R-Pa.) has announced that he will not be seeking reelection in the upcoming November midterms. He cited his frustration with the current political environment as one reason for his decision. Costello also faced a difficult election due to the state's new congressional map, which was drawn by the state Supreme Court when Pennsylvania's GOP legislature and Democratic governor could not reach an agreement on new district lines. Costello currently serves as a member of the House Energy and Commerce Committee.

Lawmakers Comment on MA/Part D Proposed Rule

Bipartisan leadership on the House Energy and Commerce Committee and the House Ways and Means Committee have **written** to the Centers for Medicare and Medicaid Services (CMS) regarding proposed changes to the Medicare Advantage (MA) and Part D programs payments and policies for 2019. The lawmakers praise the agency for its implementation of improvements to the MA risk adjustment model and expanded supplemental benefit offerings for seniors as well as CMS efforts to enhance the Star Rating Program. The letter also outlines several areas of concern, specifically regarding the Programs of All-Inclusive Care for the Elderly (PACE) normalization factor, the transition of certain cost plans to MA plans, and MA rates in Puerto Rico. A response to the letter is requested by April 30.

PTAC Recommends Palliative Care APMs for HHS Adoption

The Physician-Focused Payment Model Technical Advisory Committee (PTAC) voted to recommend two new alternative payment model (APM) proposals for review by the U.S. Department of Health and Human Services (HHS). The models both involve the formation of multidisciplinary teams for Medicare patients who are in need of palliative care but not yet ready for hospice. PTAC believes the models can be merged. The Patient and Caregiver Support for Serious Illness Model was submitted by the American Academy of Hospice and Palliative Medicine (AAHPM); the Advanced Care Model Service Delivery and Advanced Alternative Payment Model was submitted by the Coalition to Transform Advanced Care (C-TAC). Both models would use payment arrangements to incentivize physicians, nurses, and spiritual providers to develop and execute coordinated care plans for seniors in advanced stages of illness. It is unclear when or if HHS will act on PTAC's recommendations as the Department has yet to make any decisions about past PTAC proposals.

E&C to Examine Opioid Coverage and Payment Issues

The House Energy and Commerce Committee announced the subject of its third and final legislative hearing on combating the opioid crisis. The April 11 hearing will consider bills pertaining to coverage and payment issues and the opioid epidemic.

In related news, a new **report** from the American Action Forum (AAF) suggests that the opioid epidemic has cost the nation more than \$700 billion in direct cost to the economy. AAF's analysis finds that in 2015, more than 919,000 individuals were absent from the labor force due to opioid use, and the decline in the labor force since 1999 cost the economy 12.1 billion work hours. This reduction in work hours slowed the economic growth rate by 0.2 percentage points, resulting in a total cost of \$702.1 billion in real output.

HHS Staff Changes

Secretary of Health and Human Services (HHS) Alex Azar announced that Brett Giroir, M.D. will serve as Senior Advisor to the Secretary for Mental Health and Opioid Policy. The position will be in addition to his duties as Assistant Secretary for Health. Dr. Giroir will be responsible for coordinating the Department's efforts across the Administration to combat the nation's opioid epidemic. Giroir is a pediatrician by training and the former Director of the Defense Science Office at the Defense Advanced Research Projects Agency (DARPA).

Antibiotic Use Increases Worldwide

A new **report** from the National Academy of Sciences reveals that human use of antibiotics rose by 39 percent worldwide between 2000 and 2015. The increase was driven by antibiotic use in low-income and middle-income countries, in part due to population growth in those areas. Consumption of antibiotics in high-income countries slightly decreased during the time period of the analysis.

HELP Releases Two Opioid Bills

Chairman of the Health, Education, Labor, and Pensions (HELP) Committee Lamar Alexander has released two draft **bills** aimed at improving the Food and Drug Administration's (FDA) ability to combat the opioid epidemic. The first proposal would allow the agency to encourage shorter-term prescriptions for some pain medications and would give the FDA the authority to require manufacturers to package certain opioids in set-dose blister packs. The legislation would also make it simpler for physicians to write prescriptions for smaller amounts of opioid pills and encourage manufacturers to provide a safe method to dispose of leftover opioids. The second bill would improve coordination between the FDA and Customs and Border Protection to improve federal ability to find and seize fentanyl and illegal drugs at the border. It would also ensure the agency could spend \$94 million included in latest omnibus bill to upgrade detection technology, laboratory capacity, and import facilities. The FDA is currently reviewing the legislation. Commissioner Scott Gottlieb has already expressed support for the use of pre-formed plastic packaging as a means to curb new addictions. The Committee plans to markup the bills at the end of the month.

Upcoming Congressional Meetings and Markups

House Energy and Commerce Committee hearing on more than one dozen bills pertaining to coverage and payment issues related to the opioid crisis; time and location TBA, April 11

House Appropriations Subcommittee on Labor, Health and Human Services, Education, and Related Agencies hearing "FY 2019 Budget Oversight Hearing;" 10:00 a.m., 2358-C Rayburn Bldg. The only witness will be Dr. Francis Collins, Director of National Institutes of Health. April 11

House Appropriations Subcommittee on Labor, Health and Human Services, Education, and Related Agencies hearing "Investing in Rural Health: Building Infrastructure, Responding to the Opioid Epidemic, and Growing the Workforce;" 10:00 a.m., 2358-C Rayburn Bldg. Witnesses will be Federal staff from the Health Resources and Services Administration (HRSA). April 12

House Appropriations Subcommittee on Labor, Health and Human Services, Education, and Related Agencies FY 2019 Members Day Hearing; 10:00 a.m., 2358-C Rayburn Bldg., April 17

House Appropriations Subcommittee on Labor, Health and Human Services, Education, and Related Agencies FY 2019 Public Witnesses Hearing; 10:00 a.m., 2358-C Rayburn Bldg., April 26. Those interested in requesting to testify or to submit a statement for the record may find instructions [HERE](#). The deadline for requests to testify is Friday, April 6. The deadline for submitting a statement for the record is Thursday, April 26.