



Health Policy Briefing

November 5, 2018

CMS Publishes 2019 Physician Fee Schedule

The Centers for Medicare and Medicaid Services (CMS) has finalized a new payment rule that will cut reimbursement for new physician-administered drugs in Medicare Part B. CMS will pay physicians at the wholesale acquisition cost (WAC) plus three percent for 2019 under the latest Medicare physician fee schedule (MPFS) final rule. The program currently pays the WAC plus six percent for the first three months that a physician-administered drug is on the market. According to the agency, the change is an attempt to align government payment rates with drug acquisition costs and to reduce drug spending.

Opioid-Related News Update

Effective November 1, the state of Oklahoma will require physicians to limit initial opioid prescriptions to seven days. Under a new law that went into effect on Thursday, Oklahoma will also require doctors to participate in educational training in an effort to keep prescribers up to date with the latest information on opioids. When physicians apply for a license renewal, they will be required to receive no less than one hour of education in pain management, opioid use, or addiction each year before completing their application.

While Georgia made it mandatory for prescribers to register with the state's prescription drug monitoring program (PDMP) 10 months ago, more than 1,000 doctors and physician assistants (PAs) may still be prescribing opioids, without having registered with the database. The registration deadline for those with a license from the federal Drug Enforcement Administration (DEA) to prescribe controlled substances was January 1 of this year, and prescribers were required to begin checking patients' prescription histories with the PDMP on July 1. State lawmakers are in discussion with Georgia's medical licensing board to ensure that prescribers are in compliance with the law before the state Senate agrees to a budget increase being pushed by the medical board. LaSharn Hughes, Executive Director of the Georgia Composite Medical Board, insists that overall compliance among doctors, PAs, pharmacists, dentists, and nurses with

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prescribing authority is estimated to stand at 95 percent. The Board, which was charged with enforcing the law, is in the process of determining why the remaining 1,400 individuals have not registered with the PDMP. Hughes has stated that the unregistered doctors and PAs may have good reason for not being registered – they may not prescribe controlled substances or are involved in public health instead of the practice of medicine.

The Food and Drug Administration (FDA) approved a powerful new opioid last week. Commissioner Scott Gottlieb acknowledged concerns about the abuse potential for Dsuvia but noted its important potential for meeting an unmet medical need for the nation’s military. Dsuvia is administered under the tongue rather than injected, making it more suitable for battlefield situations. The product will only be authorized to be administered by health care professionals.

Diabetes Caucus Issues Report on Lowering Insulin Prices

The bipartisan House Diabetes Caucus has released a new [report](#) containing 11 recommendations for lowering the cost of insulin for patients. The report is based on a year-long investigation by the Caucus co-chairs Tom Reed (R-N.Y.) and Diana DeGette (D-Colo.). The lawmakers conclude that perverse incentives in the insulin supply chain, along with limited competition, have led to artificially high prices for insulin. The cost of insulin has doubled since 2012, after a tripling in cost over the prior decade, despite no major breakthroughs or innovations to account for the price increases. The report’s recommendations focus on creating price transparency, generating additional competition, and reforming the drug rebate system.

Senate Dems Push for Stronger E-Cig Regulations

Fifteen Senate Democrats have [written](#) to the FDA requesting that the agency remove some flavors of e-cigarettes that have been proven particularly appealing to teenagers. Last month, FDA Commissioner Scott Gottlieb announced that e-cigarette companies have 60 days to develop a plan to combat teen use of their products. The lawmakers seek even more aggressive action, arguing that they are “unconvinced that voluntary, self-policing by e-cigarette companies will be sufficient.” They urge the FDA to require manufacturers to “remove all kid-appealing flavored e-cigarette products from the market unless or until manufacturers can demonstrate that these flavors will benefit public health and will not attract children to begin using these addictive products.”

Open Enrollment 2019

Open enrollment for the Affordable Care Act’s (ACA) individual health insurance market began last Thursday. It remains to be seen how recent changes from the Trump White House and congressional Republicans will impact insurance markets for 2019. This is the first enrollment period since the individual mandate was repealed and since the administration increased the availability of short-term coverage and association health plans. The administration will also fund fewer navigation programs, which help people enroll in coverage. Open enrollment will run through December 15.

White House Drug Czar Has Died

Dan Best, senior adviser for drug-pricing reform, passed away on Thursday, according to a statement from the U.S. Department of Health and Human Services (HHS). Best served in the position of drug czar since March 2018 and was instrumental in the administration’s blueprint to lower prescription drug prices. HHS did not indicate how Best died or who will replace him.

Upcoming Congressional Hearings and Meetings

Senate Health, Education, Labor, and Pensions (HELP) Committee hearing to examine reducing health care costs, focusing on improving affordability through innovation; 10:00 a.m., 430 Dirksen Bldg.; November 28