



## Health Policy Briefing

June 4, 2018

### New MedPAC Commissioners Appointed

The Government Accountability Office (GAO) has announced the appointment of five new members to the Medicare Payment Advisory Commission (MedPAC). Karen DeSalvo served as acting assistant secretary for health at the U.S. Department of Health and Human Services (HHS) from 2014 to 2017, and national coordinator for health information technology from 2014 to 2016. She currently works as a professor of medicine and population health at the University of Texas at Austin. Jonathan Perlin is a former undersecretary for health at the Department of Veterans Affairs (VA), and the current president of clinical services and chief medical officer of HCA Healthcare. Marjorie Ginsburg is a nurse, researcher, and the founding executive director of the Center for Healthcare Decisions, Inc., which works to foster civic engagement around health policy. Jonathan Jaffery is a professor of medicine at the University of Wisconsin School of Medicine and Public Health and chief population health officer at the University of Wisconsin Health. Jaewon Ryu is the executive vice president and chief medical officer for Geisinger integrated health system. Commissioner Susan Thompson was reappointed to a second term. The five new appointments will replace the commissioners whose terms expired in April: Alice Coombs, Jack Hoadley, David Nerenz, Rita Redberg, and Craig Samitt. All six terms expire in April 2021. MedPAC’s next meeting is scheduled for September 6-7.

### Latest News on Federal Response to the Opioid Epidemic

Leadership of the House Energy and Commerce Committee are seeking additional details about reports of financial kickbacks for those who refer patients to sober living homes and treatment centers. Chairman Greg Walden (R-Ore.), Ranking Member Frank Pallone (D-N.J.), Oversight Subcommittee Chairman Gregg Harper (R-Miss.), Ranking Member Diana DeGette (D-Colo.), Health Subcommittee Chairman Michael Burgess (R-Texas), and Ranking Member Gene Green (D-Texas) sent **letters** to eight call aggregators who connect individuals seeking treatment with facilities. The lawmakers pose questions about the business practices of such intermediaries and request information about employee training and

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disclosure of any affiliation with particular facilities. They ask the call centers about their practices related to assistance in obtaining health insurance, operation of websites, call statistics, and any criminal matters related to the centers or affiliated treatment centers. The letters are the latest step in the Committee's ongoing investigation into patient brokering.

Latest reports indicate that a House vote on a legislative package to address the opioid crisis could occur the week of June 11. Lawmakers will need to coordinate more than 70 bills spanning eight committees, so the timing is still tentative.

The Food and Drug Administration (FDA) has announced plans to increase the inspection of foreign packages by 150 percent. The agency currently has 21 employees across nine international mail facilities (IMF) sorting through approximately 40,000 incoming packages for illicit drugs. The FDA plans to increase these figures to 125 employees and 100,000 packages. Commissioner Scott Gottlieb did not provide a timeline for implementation of the plan. The FDA also announced the opening of an innovation challenge for the development of new technology to detect, treat, and prevent addiction and withdrawal, stop the diversion of opioids, or eliminate the need for opioid painkillers. The agency will collaborate with selected companies to develop such products in an effort to address the opioid crisis and speed the regulatory review process. FDA is accepting proposals through September 30, and will announce which applicants were selected by the Center for Devices and Radiological Health (CDRH) in November.

### *Cassidy Releases Health Care White Paper*

Sen. Bill Cassidy (R-La.) plans to introduce legislation that will mandate health care price transparency, allowing patients to compare prices before getting a procedure. The idea, among others, is outlined in a white paper released by Cassidy last week. The paper, [Ideas to Make Health Care Affordable Again](#), also includes his proposal to transition the Affordable Care Act (ACA) into block grants for states. Cassidy indicates that he plans to work on legislation to address drug prices and make the use of gag clauses at the pharmacy counter illegal. The white paper includes a proposal to codify the Trump administration's proposal to expand short-term health insurance plans that may not meet Obamacare requirements.

### *Trump Hints at Rx Price Decreases*

President Trump says that drug companies plan to announce "massive" voluntary drug price decreases sometime in the next few weeks. The announcement was made at the signing ceremony of right-to-try legislation, while the President was touting his administration's work to combat the rising costs of prescription drugs. Trump predicted a "major drop" in the cost of prescription drugs as a result of forthcoming industry action.

In related news, the White House has formally delayed an Obama administration regulation that would penalize pharmaceutical manufacturers for overcharging hospitals in the 340B drug discount program. The 340B program requires drug makers to give discounts to hospitals that serve primarily low-income patients. The Trump administration has delayed the fines for failing to do so five times; penalties will now be enforced starting July 1, 2019.

### *Gottlieb, Johnson At Odds on RTT Implementation*

The Senate sponsor of the recently passed right-to-try legislation has [written](#) to the Food and Drug Administration (FDA) following remarks by Commissioner Scott Gottlieb about implementation of the law. Gottlieb recently suggested that the FDA may need to issue regulations to balance the requirements of the law and ensure patient protections. Sen. Ron Johnson (R-Wis.) expresses concerns with such comments, explaining that the intent of the law is to empower terminally ill patients to work around the FDA in seeking experimental treatments. He states that the law is meant to "diminish the FDA's power over people's lives, not increase it." S. 204, the Trickett Wendler, Frank Mongiello, Jordan McLinn, and Matthew Bellina Right to Try Act of 2017, was signed into law by President Trump last week.

## Trump Meets with Azar, Collins

President Trump met with Secretary of the U.S. Department of Health and Human Services (HHS) Alex Azar and Director of the National Institutes of Health (NIH) Francis Collins in the Oval Office last week. The meeting was closed to the press, but the three men reportedly discussed research initiatives currently being conducted by the NIH to improve the overall health of the nation.

## Upcoming Congressional Meetings and Markups

*Senate Appropriations Military Construction, Veterans Affairs, and Related Agencies Subcommittee markup of the Military Construction, Veterans Affairs, and Related Agencies Appropriations Act, 2019; 2:30 p.m., 124 Dirksen Bldg.; June 5*

*House Energy and Commerce Health Subcommittee hearing “Examining the Reauthorization of the Pandemic and All-Hazards Preparedness Act;” 10:00 a.m., 2123 Rayburn Bldg.; June 6*

*House Committee on Education and the Workforce hearing “Examining the Priorities of the U.S. Department of Health and Human Services;” 10:00 a.m., 2175 Rayburn Bldg.; June 6*

*House Ways and Means Health Subcommittee hearing “Lowering Costs and Expanding Access to Health Care through Consumer-Directed Health Plans;” 11:00 a.m., 1100 Longworth Bldg.; June 6*

*Senate Appropriations Committee markup of the Military Construction, Veterans Affairs, and Related Agencies Appropriations Act, 2019; 10:30 a.m., 106 Dirksen Bldg.; June 7*

*House Veterans’ Affairs Health Subcommittee hearing “An Assessment of the Potential Health Effects of Burn Pit Exposure among Veterans;” 3:00 p.m., 334 Cannon Bldg.; June 7*

*Senate Health, Education, Labor, and Pensions Committee hearing “The Cost of Prescription Drugs: Examining the President’s Blueprint ‘American Patients First’ to Lower Drug Prices;” 10:00 a.m., 430 Dirksen Bldg.; June 12*

*House Veterans’ Affairs Health Subcommittee legislative hearing on: H.R. 2787; H.R. 3696; H.R. 5521; H.R. 5693; H.R. 5864; Draft bill, the VA COST SAVINGS Enhancement Act; Draft bill, the Veterans Serving Veterans Act; and Draft bill, to improve the productivity and management of VA health care facilities; 3:00 p.m., 334 Cannon Bldg.; June 13*

## Recently Introduced Health Legislation

*H.Res.915 — Expressing the sense of the Congress in support of protecting patients’ access to medically appropriate, evidence-based healthcare and information, and the ethical and professional obligations of healthcare professionals to provide that care and information; Sponsor: Rep. DeGette, Diana [D-CO-1]; Committees: House - Energy and Commerce*

*H.R.5974 — To direct the Secretary of Veterans Affairs to use on-site regulated medical waste treatment systems at certain Department of Veterans Affairs facilities, and for other purposes; Sponsor: Rep. Denham, Jeff [R-CA-10]; Committees: House - Veterans’ Affairs*

*H.R.5977 — To improve Federal efforts with respect to the prevention of maternal mortality, and for other purposes; Sponsor: Rep. Kelly, Robin L. [D-IL-2]; Committees: House - Energy and Commerce*

*H.R.5980 — To authorize, develop, and implement a coordinated tracking system of federally-funded initiatives and grant programs for substance abuse treatment, prevention, and enforcement, and for other purposes; Sponsor: Rep. Rothfus, Keith J. [R-PA-12]; Committees: House - Oversight and Government Reform*