

July 14, 2017

On the Horizon ...

- * Current plans suggest the Senate will vote next week on the *Better Care Reconciliation Act* which would repeal and replace aspects of the *Affordable Care Act*.
- * On July 18, the House Energy and Commerce Oversight and Investigations Subcommittee will hold a hearing on HRSA's oversight of the 340b drug pricing program.
- * On July 20, the House Energy and Commerce Health Subcommittee will consider bipartisan legislation to improve Medicare.

TAKE ACTION

1. Tell the Senate to Reject the Better Care Reconciliation Act

The Senate's bill to replace the *Affordable Care Act* would strip health care coverage from millions of Americans and leave millions more facing dramatically higher costs. The AAFP urges the Senate to reject this bill and start again focusing on bipartisan, common-sense reforms to preserve health care coverage. Please click [here](#) to urge your Senators to vote no on BCRA.

U.S. CONGRESS

1. AAFP Continues to Press the Senate to Retain Coverage and Essential Benefits

AAFP President John Meigs, Jr., MD joined leaders from five other physician organizations in Washington on July 12 to meet with several Senators and their staffs to reiterate our [shared principles](#) for health reform. Even with recent revisions, the Senate's *Better Care Reconciliation Act* (HR 1628) threatens to harm patients by repealing and undermining essential coverage and patient protections established by the ACA.

2. House Subcommittee Rejects Proposed Termination of AHRQ and Title VII

On July 13, the House Appropriations Labor-HHS-Education Subcommittee advanced the draft fiscal year 2018 bill. The draft [bill](#) includes a total of \$77.6 billion for HHS, a decrease of \$542 million from the FY 2017 enacted level but \$14.5 billion above the President's budget request. It includes the following:

Agency for Healthcare Research and Quality (AHRQ) – The draft provides \$300 million for AHRQ, which is \$24 million below the current level. The President's budget request had proposed to cut AHRQ's funding to \$272 million and fold it into the National Institutes of Health.

Health Resources and Services Administration (HRSA) – The bill includes \$5.8 billion for HRSA, which is \$398 million below the current level and \$277 million above the President's request. Although the draft does not detail the funding breakdown for the Title VII health professions programs, it proposes to eliminate the Title VII Health Careers Opportunity Program (\$14 million) as suggested in the President's budget. It also level-funds at \$300 million the Children's Hospital Graduate Medical Education program. The Healthy Start and Maternal and Child Health Block Grant programs were both level-funded at \$103.5 million and \$642 million

respectively. The draft again proposes to eliminate of HRSA's Family Planning (Title X) Program; the AAFP will continue to oppose elimination.

On July 12, the AAFP and 63 other members of the Health Professions and Nursing Education Coalition (HPNEC) sent a [letter](#) to the bipartisan, bicameral leadership of the Subcommittees recommending \$580 million for HRSA's health professions programs in FY 2018.

Centers for Medicare and Medicaid Services (CMS) – The draft bill provides \$3.5 billion for CMS administrative expenses, which is \$219 million below the FY 2017 enacted level and \$137 million below the FY 2018 request. The Committee characterized this level as sufficient to maintain core operations and services. The bill does not include funding to implement ACA programs, prohibits funds for the “Navigators” program, and prohibits the collection of user fees from the ACA Exchanges.

Centers for Disease Control and Prevention (CDC) – The draft includes a total of \$7 billion for CDC – \$198 million below FY 2017 and \$1 billion above the request. This includes \$840.6 million in transfers from the *ACA Prevention and Public Health Fund*. It continues the prohibition, opposed by the AAFP, against using federal funds to advocate or promote gun control.

Substance Abuse and Mental Health Administration (SAMHSA) – The bill funds SAMHSA at \$3.5 billion – \$306 million below the current level and \$68 million above the request. It retains a ban, opposed by the AAFP, on federal funds for the purchase of syringes or sterile needles but allows communities with rapid increases in cases of HIV and Hepatitis to access federal funds for other activities, including substance-use counseling and treatment referrals.

National Institutes of Health (NIH) – The bill provides \$35.2 billion for NIH, an increase of \$1.1 billion from the current level and \$8.6 billion above the President's budget. It includes a new provision requiring NIH to continue reimbursing grantees for facilities and administrative costs.

3. House Committee Passes Bill Threatening FDA Tobacco Oversight

The House Appropriations Committee on July 12 approved on a voice vote the FY 2018 Agriculture Appropriations bill which included two provisions to weaken the Food and Drug Administration's (FDA) tobacco oversight rule. The AAFP and 40 other organizations had [urged](#) the bipartisan leaders of the full committee and subcommittee to reject the provisions to exempt large and premium cigars from FDA oversight and change the “grandfather date” exempting many cigars, e-cigarettes, and other tobacco products now on the market from FDA review.

4. House Hearing Examines Legislation on Off-Label Drug Communication

On July 12, the House Energy and Commerce Committee held a [hearing](#) to examine legislation to allow manufacturers to promote off-label uses for FDA-approved medications. The FDA now prohibits promoting drugs for any use that has not been approved. Manufacturers stress that flexibility is needed to accommodate common medical practice. Currently, 20% of prescriptions are written for off-label use. Experts testified that the market is not meeting the needs of patients, but off-label communications could help. Rep. Michael Burgess, MD (R-TX) expressed concerns about physicians' abilities to access updated information. Rep. Jan Schakowsky (D-IL) suggested that the marketplace is not an appropriate place to vet drug safety. The Campaign for Sustainable Rx Pricing, a coalition the AAFP joined in 2016, submitted [testimony](#) supporting the legislation.

CENTERING ON THE STATES

1. Oregon Passes Legislation Promoting Primary Care

Oregon Gov. Kate Brown (D) signed [legislation](#) to increase primary care spending. The law requires insurers to increase total medical expenditures in primary care to 12% of all costs by 2023. This will be an increase from the current level of 9.9%. Insurers not meeting this level will need to submit a plan regarding how they will increase primary care spending.

2. Alaska's 1332 State Innovation Waiver Application Approved

On July 7, the Centers for Medicare & Medicaid Services [approved](#) Alaska's 1332 State Innovation Waiver application. The waiver allows the state to implement the Alaska Reinsurance Program in 2018 for the next five years, with \$48 million in federal funding. This program is aimed at stabilizing the individual market by covering claims for participants in the individual market with high cost conditions. It is projected that the program will increase coverage for consumers and will reduce premiums by 20%. Alaska is the second state, after Hawaii, to obtain a 1332 waiver.

3. Arkansas Seek Adjustments to Section 1115 Medicaid Demonstration Waiver

Arkansas has released for comment, an [amendment](#) to their Arkansas Works 1115 Demonstration Waiver, including adjustments in eligibility, institution of a work requirement, elimination of employer-sponsored insurance premium assistance, and elimination of retroactive eligibility. With this amendment, income eligibility will be limited to less than or equal to 100% of the federal poverty level. Additionally, the work requirement would require beneficiaries to work at least 80 hours per month to maintain coverage. If approved, these provisions would all go into effect at the start of 2018.

4. Kentucky Governor Looking to Adjust Proposed Medicaid Waiver

Kentucky Gov. Matt Bevin (R) submitted an adjusted [plan](#) for a proposed Medicaid waiver, including stricter work requirements and coverage lockouts than previously proposed. The work requirement would compel low-income adults with dependents to work at least 20 hours per week to qualify for coverage and would eliminate the previously proposed phase-in period of the requirement. The proposed six-month coverage lockout would apply to beneficiaries with changes in their employment status or income level who do not notify the state. Estimates project that these changes would result in an additional 9,000 people losing coverage.

5. Former Governors Offer Recommendation on Opioid Crisis

Former Govs. Mike Beebe (D-AR), Steve Beshear (D-KY), Jim Douglas (R-VT), Christine Gregoire (D-WA), and Linda Lingle (R-HI) sent a [letter](#) to the White House Commission on Combatting Drug Addiction and the Opioid Crisis with recommendations regarding the current opioid epidemic. Their recommendations include strategies to curb the supply of illicit opioids, reduce unnecessary prescriptions for opioids, treat and promote recovery, and educate the country.

EXECUTIVE BRANCH

1. AAFP Responds to Two FDA Requests for Comments on Opioid Training

In a July 10 [letter](#) to the FDA, the AAFP responded to a request for comments titled, "Training Health Care Providers on Pain Management and Safe Use of Opioid Analgesics—Exploring the Path Forward" and a related request on the FDA Blueprint for Prescriber Education for Extended Release and Long-Acting Opioid Analgesics. The AAFP argued that mandating CME for individual prescribers is not the solution for this public health crisis and noted that AAFP opposes policies to mandate education of family physicians as a condition for prescribing opioids.

2. AAFP Tells CMS How to Improve the ACA By Empowering Patients

In a July 12 [letter](#) to CMS, the AAFP answered the request for information: "Reducing Regulatory Burdens Imposed by the *Patient Protection and Affordable Care Act* & Improving Healthcare Choices to Empower Patients." The AAFP recommended CMS empower patient choice by developing and increasing the use of consumer assistance tools that allow for easy comparison of plans and design features. For market stabilization, the AAFP supported the use of reinsurance and improved risk adjustment methodology. The AAFP recommended CMS require Marketplace plans to provide benefit design options that incentivize high-value care for prevention and chronic disease management and that CMS create a federal-state partnership on insurance regulation and standards for plans across states to reduce administrative burden.

3. AAFP Comments to FCC on Net Neutrality

On July 13, the AAFP sent a [letter](#) to a Federal Communications Commission proposed rule titled, "Restoring Internet Freedom." The AAFP reminded the FCC that the Internet forms the backbone on which the health care industry is building capabilities for health information exchange and called on the FCC to ensure that internet service providers do not place fees or constraints on health information exchange.

2. Regulatory Briefs

- On June 29, CMS issued a [proposed rule](#) that would update 2018 payment policies for the End-Stage Renal Disease Prospective Payment System.
- On June 29, the Trump Administration [announced](#) its nomination of Jerome M. Adams, MD for the U.S. Surgeon General. He is an anesthesiologist and served as Indiana's Health Commissioner since 2014.
- On June 30, the GAO released a [report](#) titled, "Hospital Value-Based Purchasing: CMS Should Take Steps to Ensure Lower Quality Hospitals Do Not Qualify for Bonuses."
- On June 29, CMS launched a new [section](#) on the Quality Payment Program on doctors and other clinicians working in small or rural practices as well as those treating patients in underserved areas.
- On June 30, CMS [posted](#) Open Payment 2016 financial data noting that applicable manufacturers and group purchasing organizations collectively reported \$8.18 billion in payments and ownership and investment interests to physicians and teaching hospitals.
- On July 7, HHS Secretary Price [named](#) Brenda Fitzgerald, MD, as the 17th Director of the Centers for Disease Control and Prevention and Administrator of the Agency for Toxic Substances and Disease Registry.
- On July 10, CMS [announced](#) that fewer issuers applied to participate in Health Insurance Exchanges for 2018.
- On July 11, ONC released the "Improving the Health Records Request Process for Patients" [report](#).
- On July 12, CMS released an updated Health Insurance Exchanges Issuer County Map.
- On July 13, the OIG released a [report](#) titled, "Opioids in Medicare Part D: Concerns about Extreme Use and Questionable Prescribing."
- On July 13, the Medicare Trustees issued a report indicating that Medicare will be insolvent by 2029, a year longer than a prior estimate. The Independent Payment Advisory Board is not triggered to cut Medicare spending.