

January 27, 2017

### **On the Horizon ...**

\* On January 31, the House Oversight and Government Reform Subcommittee on Health Care, Benefits and Administrative Rules will hold a hearing on "Fraud, Waste and Abuse under the Affordable Care Act."

\* On February 1, the Senate Health, Education, Labor and Pensions Committee plans hold a hearing entitled "Obamacare Emergency: Stabilizing the Individual Health Insurance Market."

\* Also on February 1, the House Energy and Commerce Subcommittee on Health will hold a hearing "Strengthening Medicaid and Prioritizing the Most Vulnerable" and the House Education and the Workforce Committee plans a hearing on "Rescuing Americans from the Failed Health Care Law and Advancing Patient-Centered Solutions."

\* On February 2, the House Energy and Commerce Health Subcommittee will hold a hearing entitled, "Patient Relief from Collapsing Health Markets."

## **U.S. CONGRESS**

### **1. Senate Finance Committee Reviews the HHS Secretary-Designate Nomination**

On January 24, the Senate Finance Committee held a [hearing](#) to review Rep. Tom Price's (R-GA) nomination as the Health and Human Services (HHS) Secretary-designate. The Senate Finance Committee is expected to vote on Rep. Price's nomination by early February.

During the hearing, Sen. Orrin Hatch (R-UT) elicited from Rep. Price his support for innovation in Medicare despite concerns about mandatory demonstration projects, such as the cancelled Medicare Part B initiative to test drug pricing and alternative reimbursements. Sen. Ron Wyden (D-OR) asked about Price's views on proposed cuts to Medicare and Medicaid. Rep. Price [indicated](#) his intent to improve services and access to care. Sen. Bob Menendez (D-NJ) asked Price if he supported science-based findings about [vaccinations](#). Rep. Price confirmed that he would continue the diligent work of the agency and disseminate good information. Sen. Menendez also asked Rep. Price if he understood that cuts to Medicaid would mean eliminating patients' access. Price indicated that his goal was to ensure [Medicaid](#) beneficiaries could purchase coverage and pledged to work with Congress on programmatic changes. Sen. Pat Toomey (R-PA) [asked](#) if there were other ways to provide coverage for patients with preexisting coverage besides coverage mandates. Rep. Price indicated that there are other options and that patients should be mindful that they might be at risk if the insurance market collapsed.

Senators also expressed support for their specific health care priorities such as Medicare premium support, tobacco product regulation, the Children's Health Insurance Program, addiction treatment access, rural health care, the Indian Health Service, end-of-life care, and Medicare Part D drug negotiation authority. Others expressed concerns about proposals they oppose such as the Cadillac tax, *Physician Payments Sunshine Act* flexibility, and Medicaid block grants.

## **2. AAFP Calls on Congress, Administration to Support Women's Health Services**

This week, the AAFP signed two documents calling on Congress to maintain women's full access to reproductive and maternal health services. In a joint [statement](#) to Congress and the administration, the AAFP joined the heads of the American Academy of Pediatrics, American College of Physicians, American College of Obstetricians and Gynecologists, and American Osteopathic Association in expressing support for "unencumbered access to affordable, evidence-based health care across their lifespan." The AAFP also sent a [letter](#) to Rep. Chris Smith (R-NJ) raising concerns about the *No Taxpayer Funding for Abortion or Abortion Insurance Full Disclosure Act of 2017* (HR 7), a bill that would tighten current federal funding restrictions, interfere with the doctor-patient relationship, and impose new requirements on health insurance plans. The House of Representative passed the bill by a [vote](#) of 283-183.

## **2. House Subcommittee Holds Hearing on ACA's Individual Mandate**

The House Committee on Ways and Means Subcommittee on Oversight held a hearing on January 24 to examine the effectiveness of the individual mandate under the *Affordable Care Act* (ACA). The hearing focused on one of the Act's key provisions, the requirement that all Americans purchase health insurance or pay a penalty, and its effect on the individual health insurance market. While Republican members of the committee criticized the mandate, Democrat members pointed out that it was originally a Republican idea and that it is working for most of their constituents. Testimony was heard from John R. Graham, a Senior Fellow at the National Center for Policy Analysis, Thomas P. Miller, J.D., a Resident Fellow in Health Policy Studies at the American Enterprise Institute, and Dr. John E. McDonough, professor of practice in the Department of Health Policy and Management at the Harvard T.H. Chan School of Public Health. Mr. Graham and Mr. Miller, while acknowledging that the individual mandate was originally a Republican policy proposal, stated that it was not achieving its goals and was based on flawed economic assumptions. Dr. Graham, who helped write the ACA as a Senate staff member, pointed out that the mandate is a "core mechanism" of the ACA and that removing it would negatively impact the insurance market. He stated that the mandate has nothing to do with the problems and stresses in the insurance exchanges today. You can see Chairman Vern Buchanan's (R-FL) opening statement and learn more about the hearing at the [Ways and Means web site](#).

## **CENTERING ON THE STATES**

### **1. Washington Waiver Approved, California Waiver Withdrawn**

On January 9, the Centers for Medicare and Medicaid Services (CMS) [approved](#) Washington's §1115 waiver request for a five-year Medicaid demonstration project. The state will implement a five-year Delivery System Reform Incentive Payment (DSRIP) program focused on building health system capacity, redesigning care delivery, and advancing prevention measures under nine regional "Accountable Communities of Health." Meanwhile, on January 18, 2017, California [withdrew](#) its §1332 waiver that would have allowed undocumented individuals to purchase unsubsidized health coverage through their state-based exchange. California State Sen. Richardo Lara (D) said that he was withdrawing the plan because he feared the new administration might use information to deport undocumented immigrants.

### **2. Aetna-Humana Merger Blocked**

On January 23, a federal judge ruled on the Aetna and Humana merger, prohibiting for now the \$37 billion deal from advancing. The ruling supports the Justice Department's opinion that the merger would hurt competition and raise prices for consumers, particularly for Medicare Advantage plans. Aetna and Humana have stated that they will consider all available options for their proposed merger. In a joint statement, Aetna Chief Executive Officer and Humana Chief Executive Officer said, "we continue to believe a combined company will create access to higher-quality and more affordable care, and deliver a better overall experience for those we serve."

### 3. NGA Sends Letter to House Republicans Regarding Medicaid Financing

On January 24, the National Governor's Association sent a bipartisan [letter](#), signed by NGA Chair Governor Terry McAuliffe (D) and NGA Vice Chair Governor Brian Sandoval (R), to House Republicans in response to Congress' request for feedback for potential changes to the *Patient Protection and Affordable Care Act of 2010*. The letter stated, "in considering changes to Medicaid financing, it is critical that Congress continue to maintain a meaningful federal role in this partnership and does not shift costs to states." The letter also expressed need for shared support of vulnerable populations, maintaining current health spending levels, and continuing predictability in federal programs while reforms are considered.

### 4. Bills of Interest

This week, 40 states and the District of Columbia are actively meeting. Following are a few bills that may be of interest:

- Direct Primary Care – 8 states ([Colorado](#), [Florida](#), [Georgia](#), [Indiana](#), [Kentucky](#), [Montana](#), [South Carolina](#), and [Virginia](#)) have now introduced Direct Primary Care legislation. There are 16 states to date that have enacted DPC laws.
- Medicaid Waiver – Tennessee has introduced [legislation](#) which would request a waiver to provide Medicaid expansion by means of a block grant of federal funds.
- Payment and Reimbursement Reform – Missouri introduced [legislation](#) which would provide additional reimbursement for services to primary care providers who provide services to MO HealthNet recipients after 5 pm and before 7 am in order to increase access to primary care services for working adults and their families.
- Retail Health Clinics – New York's [AB 958](#) enacts provisions authorizing retail clinics and limited services clinics to provide certain services such as episodic illness, episodic preventive treatment, and treatment and services for minor injuries. The bill clarifies that services provided cannot include monitoring over multiple visits.
- Scope of Practice – [Hawaii](#) and [Mississippi](#) introduced legislation which would allow for pharmacists to provide patient care services.

## THE EXECUTIVE BRANCH

### 1. Trump Issues Executive Order Targeting Obamacare

President Donald Trump was inaugurated on January 20 and promptly issued [Executive Order 13765](#) making explicit his administration's policy to roll back the ACA ([Public Law 111-148](#)). The order entitled "Minimizing the Economic Burden of the Patient Protection and Affordable Care Act Pending Repeal" directs cabinet departments and agencies to "exercise all authority and discretion available to them to waive, defer, grant exemptions from, or delay the implementation of any provision or requirement of the Act that would impose a fiscal burden on any State or a cost, fee, tax penalty, or regulatory burden on individuals, families, healthcare providers, health insurers, patients, recipients of healthcare services, purchasers of health insurance, or makers of medical devices, products, or medications." Although the language of the Executive Order is sweeping, it is difficult to predict how the new Administration will implement this policy.

### 2. Regulatory Briefs

- On January 19, CMS [released](#) the 2nd year results of the Independence at Home Demonstration.
- CMS will host the following free educational calls; [registration](#) is required:
  - Understanding and Promoting the Value of Chronic Care Management Services Call, on Feb 21, 1:30 pm ET.
  - Looking Ahead: The IMPACT Act in 2017 Call, Feb. 23, 1:30pm ET
  - Global Surgery: Required Data Reporting for Post-Operative Care Call, Apr. 25, 1:30pm ET

- CMS will host a [webinar](#) to discuss the Advancing Care Coordination through Episode Payment Models (EPMs); Cardiac Incentive Payment Model; and changes to the Comprehensive Care for Joint Replacement Model final rule on Feb. 9, at 12:00pm ET.

### **TAKE ACTION**

#### **1. View the AAFP-Produced Webinar on the New Administration and the 115<sup>th</sup> Congress**

The new Administration and the 115<sup>th</sup> Congress have expressed a desire to drastically rearrange the health care landscape. To better understand their actions, AAFP has hosted a webinar on how these proposals will affect family medicine. Click [here](#) to view the recording of the presentation, and [download](#) the slide deck for your use.

#### **2. Read the Latest FamMedPAC Report**

With the 2016 election over, FamMedPAC is looking forward to a successful 2018 cycle supporting AAFP's legislative priorities in the new Congress. In just the first three weeks of January, 376 AAFP members contributed over \$50,000 to the PAC, with many signing up for monthly installments. To keep our donors informed of our progress, the latest edition of the FamMedPAC Report was sent out this week. Please follow this link to view the January 2017 edition: [Jan2017FamMedPACReport](#) To make your 2017 contribution, please visit the [FamMedPAC Contribution Page](#).