
Health Policy Update – April 6, 2021

Congress Expected to Extend Medicare Sequester Relief Through End of 2021

On March 25, the Senate passed a bill to extend the moratorium on the 2% Medicare sequester through December 31, 2021. The bill passed by a vote of 90-2. The House is currently out of session but expected to pass the bill after Members return the week of April 12.

The House had previously voted to suspend the sequester cuts, though the bill contained a few controversial provisions the Senate bill later dropped.

Congress first suspended the 2% Medicare sequester cut as a temporary measure in the Coronavirus Aid, Relief, and Economic Security (CARES) Act in March 2020, providing much needed relief and stability to practices experiencing lost revenues and increased expenses due to COVID-19. The suspension was extended for an additional three months at the end of December as a part of the year-end spending bill. The US Oncology Network strongly advocated for an extension of the sequester relief through the end of 2021.

Though the current moratorium technically expires March 31, CMS announced last week that it will be holding all claims “for a short period” after April 1 so providers don’t see the cuts go into effect before the bill passes Congress and is signed into law by President Biden. The announcement was made via an update from the Medicare Learning Network.

To view the text of the Senate-passed Medicare sequester relief bill, [CLICK HERE](#).

To view CMS’ announcement that it will be holding claims after April 1, [CLICK HERE](#).

Congressional Democrats Consider Drug Pricing Reforms for Next Legislative Package

On March 31, President Joe Biden released a \$2 trillion infrastructure plan, entitled “The American Jobs Plan.” The plan includes proposals to upgrade the nation’s infrastructure, invest in electric vehicles and clean energy, create a national broadband system and support home-based care for the elderly and disabled; it also includes various corporate tax increases to partially offset the new spending. President Biden is expected to release a separate proposal addressing health care, education, and childcare later this month.

Speaker Nancy Pelosi (D-CA) has said Democrats are considering adding elements from their

signature drug pricing legislation, H.R. 3, to the infrastructure package that would let the government negotiate drug prices and help offset the cost of the infrastructure upgrades. "If we were able to do that, we could save almost a half a trillion dollars," Pelosi said. "We would be missing an opportunity if we did not include lowering the cost of prescription drugs."

Senate Finance Chairman Ron Wyden (D-OR) has also publicly stated his support for taking "bold action on prescription drug prices" and said the starting place would be H.R. 3 as well as the bill he authored with then- Finance Chairman Chuck Grassley (R-IA) that also sought to lower drug prices but did not include the ability for Medicare to negotiate. H.R. 3 would allow the government to negotiate prices of the most expensive drugs and biological products, capping the price of these medicines relative to their cost in Australia, Canada, France, Germany, Japan, and the U.K. and heavily taxing drug manufacturers who refuse to participate. The bill passed the House along party-lines in 2019 but was not considered by the Republican controlled Senate.

The White House has yet to provide specifics for which drug pricing reforms it would like to see, and it remains to be seen whether a variation of H.R. 3 would have sufficient support for passage in the Senate. While Democrats maintain control of both chambers, their margins are razor thin.

To view President Biden's American Jobs Plan, [CLICK HERE](#).

Senate Confirms Vivek Murthy as Surgeon General, Rachel Levine as HHS Assistant Secretary for Health

On March 24, the Senate confirmed two more top officials at the Department of Health and Human Services. Vivek Murthy, MD was confirmed as the 21st U.S. Surgeon General by a vote of 57-43. Dr. Murthy previously served as Surgeon General from 2014-2017 and prior to that founded several public health advocacy groups and a healthcare technology start-up company. He also served as an advisor to President Biden's transition team on COVID-19 issues prior to his confirmation.

Rachel Levine, MD was confirmed by a margin of 52-48 to be HHS Assistant Secretary for Health. She previously served as Pennsylvania's Secretary of Health and is the immediate past president of the Association of State and Territorial Health Officials. Dr. Levine is also the first transgender person to hold a Senate-confirmed position in the United States federal government.

Biden Administration Extends ACA Enrollment Period, New ACA Premium Subsidies Go into Effect

In January, President Biden signed an executive order establishing a special enrollment period to allow individuals and families to sign up for insurance through federally administered health plan exchanges, citing the COVID-19 pandemic and a subsequent increase in people losing their health insurance with their employment. On March 23, the Department of Health and Human Services announced that the deadline for the special enrollment period would be extended from May 15 to August 15, 2021.

Starting April 1, individuals signing up for coverage through state and federal health exchanges can also expect to see a two-year increase in subsidies to offset the cost of monthly premiums as a result of the American Rescue Plan passed by Congress in March. The legislation temporarily extends ACA subsidies to higher-income people who previously did not qualify, increases subsidies for those who already qualify, provides maximum subsidies to those receiving unemployment benefits, and protects individuals who may have misstated their income from having to repay excess premium tax credits they may have received.

To read the CMS Factsheet on the Special Enrollment Period, [CLICK HERE](#).

HHS Inspector General Greenlights Novartis Patient Assistance Program for CAR-T Treatment

On March 18, the Department of Health and Human Services Office of Inspector General (OIG) issued an advisory opinion to Novartis clarifying that the company is not violating the federal anti-kickback statute or any other federal law by covering low-income patients' access to its \$475,000 CAR-T therapy Kymriah.

Recognizing that the physicians and treatment centers both stand to receive financial benefits from professional service and facility fees involved with administering the CAR-T treatment, OIG found that the risk of overutilizing Kymriah is low due to its curative nature and the fact that it is only administered once to patients not responding to alternative treatments. In addition, OIG found that the drugmakers' payments do not inappropriately incentivize patients to receive treatment at any one center over another since it can be accessed in every type of care setting. While the program would have likely violated the anti-kickback statute had Novartis' primary intent been to generate financial benefits, the program can continue without penalty.

Prior to the latest OIG advisory opinion, the agency had given Novartis approval to provide travel assistance to low-income patients who require an infusion of the CAR-T drug.

To read the OIG letter, [CLICK HERE](#).

Pandemic Accelerated Physician Practice Consolidation, Report Shows

On March 25, *Bloomberg Law* published an article showing how healthcare consolidation has accelerated during the pandemic. According to an analysis of current trends, healthcare transactions are on pace to "reach well over 300 deals in 2021." In February alone, physician practices and services have seen 25 deals, placing it third just behind Healthcare IT & Software and Life Science & Pharmaceuticals.

The report specifically highlights the unique challenges that independent physician offices have faced during the pandemic, including lower patient volume, increased competition, and changes to reimbursement policy that could significantly impact revenues. As a result, there is more uncertainty

throughout the industry, creating pressure on independent practices to sell or merge with larger systems.

According to a member of one healthcare practice in New Jersey, “More physicians than ever are considering strategic transactions to become part of larger, well-capitalized organizations with extensive corporate infrastructure—all of which is becoming more crucial in positioning themselves to succeed in the uncertain future.”

To read the *Bloomberg Law* analysis, [CLICK HERE](#).

New Report Shows Cancer Screening Bounced Back After Pandemic-Related Declines

According a new analysis from the Rand Corporation, screenings for breast cancer and colon have largely recovered after steeply declining last year as most healthcare settings either closed or transitioned entirely to virtual care. The Rand analysis, which was published in the *Journal of General Interest Medicine* found that the rate of mammograms among women had rebounded to a level that was slightly higher than it had been before the public health emergency began. There was also a rebound in colonoscopies, although screenings remain below pre-pandemic levels and did not rebound enough to offset initial reductions in care.

However, the pandemic-related drop in cancer screenings in 2020 is expected to have long term consequences on health outcomes. Due to a lack of screening, significantly more cancers could be diagnosed at a later stage – with a worse prognosis – or go undiagnosed entirely.

In June 2020, Dr. Ned Sharpless, the director of the U.S. National Cancer Institute warned in an article in *Science* that the United States could see an estimated 10,000 more breast and colorectal cancer deaths over the next decade than what would have been expected had the COVID-19 pandemic not struck the country, causing delays in routine care.

To view the Rand report, [CLICK HERE](#).

To view a summary of the report, [CLICK HERE](#).

To view Dr. Sharpless’ article in *Science*, [CLICK HERE](#).