
Health Policy Update – October 19, 2021

Congress Averts Government Shutdown as the Future of Bipartisan Infrastructure and Reconciliation Bills Remain Uncertain

Congress averted a government shutdown last Thursday with the passage of a continuing resolution (H.R. 5303) to keep federal agencies funded until December 3, which President Biden signed into law on September 30. The government funding bill passed both chambers with bipartisan majorities and included \$28.6 billion in disaster relief for regions affected by recent hurricanes and wildfires as well as \$6.3 billion to assist with the resettlement of Afghan refugees.

Meanwhile, the intra-Democratic party showdown over President Biden's legislative agenda continues as progressive and moderate factions remain locked in a stalemate over Congress' domestic priorities. Earlier this month, House leadership reached an agreement with a group of moderate Democrats to hold a vote on the infrastructure bill by September 27 regardless of the status of the reconciliation bill but backed down Thursday evening after it was clear there would not be enough votes to overcome heavy opposition from progressive lawmakers.

Progressive lawmakers have vowed to oppose the \$1.2 trillion bipartisan infrastructure bill – which passed the Senate in August – unless and until both the House and Senate pass a larger \$3.5 trillion reconciliation bill that comprises the heart of President Biden's "Build Back Better" agenda. House committees finished marking up the reconciliation bill's myriad provisions late last month, but moderate Democrats would prefer to come to an agreement with the Senate on a final bill before advancing it.

Senators Joe Manchin (D-WV) and Krysten Sinema (D-AZ) have both expressed opposition to the topline spending figure as well as some of the proposed tax increases to offset the new spending. Senator Sinema has also expressed concerns about the current proposals to allow Medicare to directly negotiate drug prices. On Thursday, Senator Manchin unveiled a list of conditions needed to win his support, including a stipulation that the bill be no larger than \$1.5 trillion. House and Senate leadership – working closely with the White House – are expected to continue negotiating towards a package that satisfies all sides, setting a new goal for passage of October 31. Even though the budget reconciliation process allows Senate passage of legislation with only 51 votes instead of the traditional 60, the current 50-50 margin in the Senate means Democrats can't afford to lose a single vote.

Lawmakers will also have to contend with a looming deadline to raise the so-called "debt limit" which the Treasury is expected to hit on October 18. Democratic leaders in the Senate had initially aimed to raise the debt ceiling in the government funding bill but faced unified opposition from Republican lawmakers who insisted the debt limit be raised with Democratic votes alone.

To read the White House statement on H.R. 5305, [CLICK HERE](#).

To read Senator Manchin's statement, [CLICK HERE](#).

The Network Joins Stakeholders, Lawmakers in Urging Biden Administration to Address Pending Radiation Therapy Cuts

On September 24, The US Oncology Network signed onto a letter to President Biden urging his administration to stabilize payments for radiation oncology services and preserve access to high quality care for patients. Signed by a group of radiation oncology stakeholder organizations, the letter specifically asks President Biden to direct the Centers for Medicare & Medicaid Services (CMS) to reduce the Radiation Oncology (RO) Model's punitive discount factor payment cuts to 3% and hold harmless radiation oncology from the proposed cuts under the Physician Fee Schedule (PFS).

Reaffirming the community's support for a value-based payment model in radiation oncology, the groups called for reforms to the RO Model in order to prevent an estimated \$300 million in Medicare payment cuts to radiation therapy that are scheduled to be implemented in 2022. Despite strong opposition from stakeholder groups, the PFS proposed rule released in July calls for significant payment cuts to radiation oncology services. Stakeholders warn that if the cuts are not addressed, it will result in a combined 25% reduction in payment rates over the next decade, which would harm cancer patients, exacerbate healthcare disparities and make it harder for the administration to achieve its goals in improving cancer care.

Echoing the concerns raised by The Network and other oncology stakeholders, Representatives Brian Higgins (D-NY) and Brian Fitzpatrick (R-PA), Co-Chairs of the House of Representatives Cancer Caucus, are leading a letter to CMS calling on the agency to avert the \$300 million in Medicare payment cuts to radiation therapy services included in the RO Model and 2022 PFS Proposed Rule.

The Network is urging advocates to contact their Members of Congress to ask them to join Reps. Higgins and Fitzpatrick in calling on CMS to protect radiation oncology and stop the proposed cuts.

To ask your Member of Congress to sign the Higgins- Fitzpatrick letter, [CLICK HERE](#).

To read the letter to CMS from Reps. Higgins and Fitzpatrick, [CLICK HERE](#).

To read the stakeholder letter to President Biden, [CLICK HERE](#).

The Network Joins Healthcare Groups in Letter to CMMI Encouraging Transparency and Communication

On September 24, approximately 75 stakeholder groups including The Network submitted a letter to Center for Medicare and Medicaid Innovation (CMMI) Director Elizabeth Fowler expressing strong support for the Biden Administration's commitment to enhancing collaboration between CMMI and

stakeholders, as the organization works to create a more patient-centered system transformation. The groups applauded Director Fowler's priorities, including improving health equity, supporting broader provider participation and reducing unnecessary complexity in healthcare models, as she outlined in a recent blog post in *Health Affairs*.

The groups also urged Director Fowler to continue collaborating closely with providers and organizations that are dedicated to improving care delivery and patient outcomes while controlling costs. In addition, they highlighted the importance of regular, two-way communication between CMMI and healthcare stakeholders, and underscored the importance of models when providers can consistently receive real-time data about each project. By increasing transparency and communication, the groups expressed hope that CMMI can create even more successful models for years to come.

In an official response, Director Fowler thanked the organizations for their feedback and their ongoing commitment to increasing patient access to high-quality, value-based care. She further reiterated the Center's belief that health equity is fundamental for transforming America's healthcare system and underscored the Center's strategy of improving model participants' experience by implementing policies that re-examine methodologies for financial benchmarks and risk adjustment, leveraging technology and data-sharing and providing enhanced flexibilities.

To read the letter to Director Fowler, [CLICK HERE](#).

To read Director Fowler's response, [CLICK HERE](#).

To read CMS' *Health Affairs* blog post, [CLICK HERE](#).

New Coalition Seeks Increased Transparency from Pharmacy Benefits Managers

A new coalition of several national organizations, including the Community Oncology Alliance, National Community Pharmacists Association, and others, has formed in an effort to seek more transparency from pharmacy benefits managers (PBMs) in how they operate.

The "Coalition for PBM Reform" says it represents the concerns of patients, doctors, pharmacies, and small business groups that it says are harmed by current PBM practices that restrict access to and increase the prices of drugs.

While originally established to help payers negotiate better prices with manufacturers, PBMs have drawn heavy criticism for their practices which include keeping large portions of the rebates they negotiate while imposing onerous fees on retail pharmacies. Further, recent consolidation within the industry has created a near-monopoly within the sector—where the three largest PBMs control almost 80 percent of the total market share.

Some of the reforms the coalition wants include preventing PBMs from offering manufacturers product coverage in exchange for rebates, spread pricing, and steering. These changes would help patients and providers by reducing obstacles to affordable prescription drugs.

To view new coalition's website, [CLICK HERE](#).