

Health Policy Update – March 1, 2018

HHS Releases Short-Term, Limited Duration Health Plans Proposed Rule

On February 20, the Department of Health and Human Services released a proposed rule to extend the duration of short term health plans – which do not have to comply with the Affordable Care Act's essential health benefit requirements – to nearly a year, up from the current three months.

The proposed rule was issued in response to an October 2017 Executive Order that aimed to loosen some of the ACA's requirements and allow individuals to purchase cheaper healthcare plans. According to the Administration, these plans would cost \$124 a month for an individual compared to the \$393 a monthly cost for an unsubsidized ACA-compliant plan.

Critics of the proposal argue that expanding the availability of short-term plans would put strain on the individual insurance market. If enough young, healthy consumers opt for the cheaper plans the remaining pool would be left with older, sicker and higher-cost patients who would face higher premiums.

To read the proposed rule, [CLICK HERE](#).

To read the President's Executive Order on healthcare choice and competition, [CLICK HERE](#).

CMS to Study Impact of MIPS on Clinicians

The Centers for Medicare & Medicaid Services (CMS) announced last week that it will be inviting clinicians to participate in a study to understand the impact of the Merit-Based Incentive Payments System's (MIPS) reporting requirements on clinician workflow.

The agency is trying to determine if MIPS poses a significant burden on physicians and intends to use the results of the study to recommend future changes to the program. According to the agency's announcement, CMS plans to begin the study in April and have it run through March 2019.

The study is open to all 2018 MIPS-eligible clinicians and participants may earn full credit for the 2018 MIPS Improvement Activities performance category. CMS is accepting applications through March 23.

For information about how to participate in the study, [CLICK HERE](#).

Bipartisan Group of Governors Unveil Health Reform Blueprint

At an event in Washington this week, a bipartisan group of Governors from five states released a blueprint for how Congress can overcome partisan gridlock and improve the nation's healthcare system. The plan, which was released by Governors John Hickenlooper (D-CO), John Kasich (R-OH), Bill Walker (I-AK), Brian Sandoval (R-NV) and Tom

Wolf (D-PA), outlined six areas where Congress can improve value-based care and promote marketplace innovation. They are:

- **Reorient the system on value** by holding providers accountable for the care they provide and using existing public healthcare programs to encourage value-based payment for services.
- **Align consumer incentives** by encouraging individuals to obtain coverage and ensure they are empowered to make informed choices about their care delivery.
- **Encourage more competition and innovation** in the healthcare marketplace by taking steps to address industry consolidation and crack down on anticompetitive behavior on the part of hospital systems, pharmacy benefit managers, and pharmaceutical companies.
- **Reform insurance markets** by encouraging more consumers to participate in plans available to them, expanding Medicaid and stabilizing the individual market by reinstating cost sharing reduction payments and enticing more insurers to offer plans on the exchanges.
- **Expand proven state Medicaid innovations** by speeding the adoption of value-based payment models and investing in new approaches that incorporate factors such as the social determinants of health in the delivery of patient care.
- **Modernize the state and federal relationship** by encouraging the federal government to adopt standards for state healthcare systems and provide leadership when a national approach is most efficient, such as in drug and device regulation.

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

Administration Announces New Policies to Address the Opioid Crisis

On Tuesday, the Department of Justice announced the establishment of a new task force to address the nation's opioid crisis while also announcing that it will file a statement of interest in a pending lawsuit fourteen states have against opioid manufacturers. The new Prescription Interdiction and Litigation Task Force will be charged with holding opioid manufacturers accountable for illegal marketing practices and ensuring that stakeholders involved in the distribution, transport, and prescribing of opioids adhere to Drug Enforcement Administration rules.

Separately, Health and Human Services Secretary Alex Azar announced that HHS will embrace medication-assisted therapy (MAT) as a form of treatment for individuals with an opioid addiction. The Food and Drug Administration is expected to release two MAT-related guidance documents later this year that will aim to develop more effective clinical treatments.

For more information about the Justice Department task force, [CLICK HERE](#).

Congress Holds Hearings on the Opioid Crisis, Bipartisan Treatment Bill Introduced in the Senate

This week, the House Energy and Commerce and Senate HELP Committees both held hearings to explore strategies to address the opioid crisis. Featuring witnesses from industry, academia, and law enforcement, the Senate hearing discussed how technology and data can be leveraged to prevent and treat addiction.

In the House hearing, lawmakers examined eight bills that would direct HHS to mandate physician training, update its education materials, and create a new category of controlled substances to crack down on the proliferation of synthetic fentanyl.

Additionally, a bipartisan group of eight Senators led by Sen. Rob Portman (R-OH) introduced a bill to update the Comprehensive Addiction and Recovery Act (CARA), a 2016 law signed by President Obama that outlined strategies to fight the opioid epidemic and committed an additional \$1 billion to the effort. The bill, known as CARA 2.0 (S.2456), would:

- Establish a three-day limit on initial opioid prescriptions for acute pain, with exceptions for chronic pain or pain for other ongoing illnesses
- Permanently allow physician assistants and nurse practitioners to prescribe buprenorphine, with guidance from a qualified physician
- Let states waive the cap on buprenorphine prescriptions
- Require doctors and pharmacists to use prescription drug monitoring programs before prescribing or dispensing opioids
- Increase civil and criminal penalties for opioid manufacturers if they fail to report suspicious orders or don't do enough to prevent diversion
- Create a national standard for addiction recovery housing

To view the House Energy and Commerce Committee hearing, [CLICK HERE](#).

To view the Senate HELP Committee hearing, [CLICK HERE](#).

To read the text of CARA 2.0, [CLICK HERE](#).

New Study Examines Hospital Impact on Chemotherapy Spending

According to a research letter published in JAMA Oncology, "Spending by Commercial Insurers on Chemotherapy Based on Site of Care, 2004-2014," spending on chemotherapy drugs is lower when treatments are administered in physician offices as opposed to hospital outpatient facilities. Researchers examined claims data from more than 280,000 commercially insured patients over a 10-year period and found that 43 percent of commercially insured patients received chemotherapy treatment at a hospital outpatient facility in 2014, compared to just 6 percent in 2004. This is likely the result of major consolidation within the industry in recent years.

The study also found that the patients receiving infused cancer drugs at doctor's offices were no sicker than those receiving the same treatment at hospital outpatient facilities.

This discrepancy in spending is likely the result of the higher Medicare billing rates for hospital outpatient facilities compared to physician in-office settings. Advocates, including the Network, have long argued for site neutral payment reform, which would establish payment parity between sites of service.

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