



Friday, February 24, 2017

### **McKesson Specialty Health Leaders Author AJMC Column on the Emerging Role of Immuno-Oncology Agents**

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### **Bipartisan Legislation Aims to Tackle DIR Fees**

Last week, lawmakers introduced bipartisan legislation to prohibit direct and indirect remuneration (DIR) fees from being retroactively collected on Medicare drug prescriptions. **Read below.**

### **Tom Price, MD Confirmed as HHS Secretary**

On February 10, former Congressman Tom Price, MD (R-GA) was sworn in as Secretary of the Department of Health and Human Services (HHS) following a Senate vote. **Read below.**

### **CMS Nominee Testifies Before Senate Finance Committee**

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### **House Republicans Release ACA Replacement Plan**

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## McKesson Specialty Health Leaders Author AJMC Column on the Emerging Role of Immuno-Oncology Agents

The *American Journal of Managed Care* published a column on February 16 entitled “Advanced APMs and the Emerging Role of Immuno-Oncology Agents: Balancing Innovation and Value,” coauthored by Michael V. Seiden, MD, PhD; Marcus Neubauer, MD; and Diana Verrilli of The US Oncology Network and McKesson Specialty Health.

The column focuses on the use of alternative payment models (APMs) and participation in the Oncology Care Model (OCM). The column addresses how the expanding use of immuno-oncology (I-O) agents—programmed death-1 (PD-1) and now programmed death ligand-1 (PD-L1) inhibitors—in oncology care will provide specific challenges to practice success, and will likely present both operational and moral challenges for physicians attempting to succeed in the OCM.

The authors conclude, “The shift to value-based care, concurrent with the innovations in immunology and the rapidly growing indications for I-O agents, will create significant challenges for the physicians and healthcare systems in the near term. Community-based oncologists will need to be particularly savvy in meeting the operational and financial demands of clinical transformation prescribed by value-based care, while maintaining the financial viability of their practices.”

The column also appears in the February 2017 issue of *Evidenced Based Oncology*.

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

## Bipartisan Legislation Aims to Tackle DIR Fees



Last week, lawmakers introduced bipartisan legislation to prohibit direct and indirect remuneration (DIR) fees from being retroactively collected on Medicare drug prescriptions. DIR fees were originally intended to address price concessions, such as drug manufacturer rebates, that would ultimately impact the gross prescription drug costs of Medicare Part D plans that were not captured at the point of sale. However, Pharmacy Benefit Managers (PBMs) have begun implementing DIR fees in a variety of ways unrelated to price transparency, resulting in higher costs to patients and Medicare.

The bills, known as the “Improving Transparency and Accuracy in Medicare Part D Drug Spending Act” (HR 1038/SB 413) are sponsored by Reps. Morgan Griffith (R-VA) and Peter Welch (D-VT) in the House and Senators Shelley Moore Capito (R-WV) and Jon Tester (D-MT) in the Senate.

To read the full text of the House bill, [CLICK HERE](#).

To read the full text of the Senate bill, [CLICK HERE](#).

To read the Community Oncology Alliance's White Paper on DIR fees and how they affect Medicare beneficiaries, [CLICK HERE](#).

## Tom Price, MD Confirmed as HHS Secretary



On February 10, former Congressman Tom Price, MD (R-GA) was sworn in as Secretary of the Department of Health and Human Services (HHS) following a Senate vote that confirmed Dr. Price by a vote of 52-47, along party lines.

Earlier in the week, Price's nomination advanced out of the Senate Finance Committee after a contentious hearing where all 12 Democratic members boycotted the session. This forced Chairman Orrin Hatch (R-UT) to change the rules and allow for a vote with only Republicans present. Previously, no vote could be taken unless at least one member of the minority party was in attendance. Democrats had hoped to delay the vote to gather more information about Price's investments and financial dealings.

To view a message from Secretary Price, [CLICK HERE](#).

## CMS Nominee Testifies Before Senate Finance Committee

Last Thursday, Seema Verma, the new administration's choice to lead the Centers for Medicare & Medicaid Services (CMS) testified before the Senate Finance Committee. She faced questions regarding her views on Medicaid and the future of the Affordable Care Act.

At her hearing, Ms. Verma reaffirmed her support for the elimination of mandatory participation in Medicare pilots by making participation voluntary to promote innovation. Likewise, she would prefer to give physicians and patients more power in making important healthcare decisions.

"Patients and their doctors should be making decisions about their health care, not the federal government. We need to ensure that people have choices about their care," stated Ms. Verma in her written testimony to the committee.

Specific to physician requirements enacted in the Medicare Access and CHIP Reauthorization Act (MACRA), Ms. Verma expressed concern that the amount of risk the program asks physicians to take is "unrealistically high" for rural and small practices.

Prior to her nomination, Ms. Verma was President and CEO of SVC Inc., a healthcare consulting company that designed Healthy Indiana 2.0, the state's Medicaid waiver program.

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

To read Ms. Verma's formal testimony, [CLICK HERE](#).

## House Republicans Release ACA Replacement Plan

House Republicans led by Speaker Paul Ryan released a proposal last week to repeal and replace the Affordable Care Act (ACA). Largely based on the 2015 reconciliation bill, the plan calls for expanded health savings accounts, high risk pools for people with pre-existing conditions, and a universal tax credit for individuals to buy insurance. It would also give states more control over their Medicaid program. The ACA's individual mandate and system of subsidies would be repealed, as would the taxes meant to finance it.

The universal tax credit called for in the GOP plan will be age-adjusted, applicable to dependents up to age 26, indexed to inflation, and available to anyone not already eligible for coverage under an employer sponsored health plan or government program. The tax credit will also be portable. Individuals would be able to deposit any excess credit into a health savings account of their choosing.

The plan repeals the ACA's Medicaid expansion and gives states the option to receive Medicaid funding through either a per capita allotment or a block grant. The states would be given further flexibility to implement Medicaid how they see fit.

Furthermore, the GOP plan raises the contribution limit on individual health savings accounts, and allows more flexibility in their use. Additionally, the plan repeals the ACA's pre-existing condition ban and establishes a series of State Innovation Grants to help states administer their own high risk pools for people who otherwise would not be able to get coverage.

The proposal had yet to be adopted into legislative text or scored by the Congressional Budget Office.

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