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New Medicare Report: Improved Financial Outlook for Medicare Trust Fund

On July 28, the Medicare's Board of Trustees released its annual report to Congress, which forecasts an improved financial outlook for the Medicare program over the next few years.

According to the report, the nation's trust fund for Medicare Part A – which funds hospital stays, home health following hospital stays, skilled nursing facility care, and hospice care for the aged and disabled – will remain solvent through 2030. The new projection is four years longer than was previously projected by the Board of Trustees.

The improved financial outlook is attributed partly to implementation of the Affordable Care Act, which they found has effectively lowered Medicare spending. While the law reduces payments to Medicare providers and Medicare Advantage insurers, it also includes many policies to encourage greater efficiencies in order to decrease overall spending.

The Board of Trustees also attributed the fund's increased solvency to slowed growth of per capita spending when compared to projections for the overall economy in the coming years. Over the last four years, per capita Medicare spending growth has averaged 0.8 percent annually compared to 3.1 percent annual increase in per capita GDP and national health expenditures over the same period.

According to the report, lower-than-expected spending in 2013 and lower projected utilization in the types of healthcare needed by Medicare patients have also played a role.

In 2013, total Medicare expenditures reached $582.9 billion, while the program covered 43.5 million people aged 65 and older, and 8.8 million people with disabilities.

To view the annual report, click here.

Bipartisan Lawmakers Express Support For 340B Program

More than 100 bipartisan lawmakers in the U.S. House and Senate have signed letters expressing support for the 340B drug discount program to leaders in the Senate Health, Education, Labor & Pensions (HELP) and House Energy & Commerce Committees.

Both letters were sent in anticipation of a so-called "mega-rule," which has been delayed since the controversial May 23 ruling in which a U.S. district court judge overturned a 340B

regulation made by the Health Resources and Services Administration (HRSA) allowing 340B program discounts for orphan drugs used for off-label treatments. Since that time, HRSA has released an interpretive rule on the orphan drug exclusion that allows for discounts for non-orphan uses of orphan drugs, despite the court's decision.

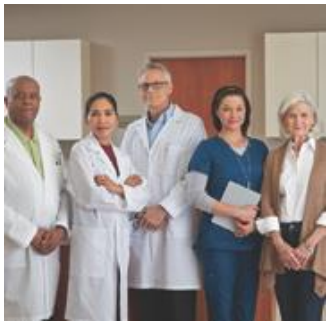
The pending "mega-rule" is expected to address the definition of a 340B patient, compliance requirements for contract pharmacy arrangements, hospital eligibility criteria and eligibility of off-site facilities.

On July 28, a bipartisan group of 31 Senators sent a letter to Senate HELP Committee Chairman Tom Harkin (D-IA) and Raking Member Lamar Alexander (R-TN), stating, "Currently, the 340B program is the subject of pending rule-making according to the Department of Health and Human Services. We look forward to working with you to evaluate the proposed regulations to ensure that participating entities can continue to serve their patients."

In a similar letter, 77 bipartisan members of the U.S. House write, "As supporters of the [340B] program, we encourage the Health Resources and Services Administration (HRSA) and Congress to provide reasonable and balanced regulatory and legislative oversight of the program…It is important for Congress and HRSA to strike an appropriate balance when overseeing the administration of this program."

The US Oncology Network and others in the cancer care community have raised concern that the 340B program is not being used as originally intended – to ensure access to prescription medicines for uninsured, indigent and disadvantaged Americans.

The US Oncology Network Joins Cancer Care Advocates in Submitting USP Chapter <800> Comments



On July 31, The US Oncology Network joined a group of 27 cancer care stakeholder organizations in sending a letter to the USP Healthcare Quality Standards Staff commenting on the proposed Chapter <800>.

The groups write, "We appreciate the intent of Chapter <800> to ensure the safety of patients and providers who must handle and deliver hazardous drugs; however, we feel that doing so using the proposals in Chapter <800> will negatively impact access to cancer care, as the resources to implement these changes are not available across much of the community setting."

Specifically, the groups expressed concern for proposed changes in the following areas:

- List of Hazardous Drugs
- Facility Design and Engineering Controls
- Medical Surveillance

To read the full stakeholder comment letter, click here.

A variety of additional concerns are being raised by each of the groups joining this letter in individual comment letters, including The US Oncology Network, in which the following concerns were raised:

"There will be large costs that hospitals and practices will need to budget for and acquiring the funds may take years, if it is possible at all for small or rural providers. Community oncology practices will not be reimbursed for these changes, which makes the already tight reimbursement for oncology even more challenging. In the interest of access to care, we are concerned that some practices as well as smaller and perhaps lower volume hospitals may look at these suggestions as cost prohibitive and decide not to offer the oncology services needed to optimize care to patients or to cut back on many local community sites of service. This could create a large delivery of care issue for the oncology community. It is our hope that standards that are developed are achievable and will be recommended with adequate time for implementation given the challenges associated with them."

To view the TUSON cover letter to USP Healthcare Quality Standards Staff, click here.

To view the TUSON specific comments on the proposed Chapter <800>, click here.

E&C Health Subcommittee Convenes Markup on Important Healthcare Legislation

On July 28, the House Energy and Commerce Health Subcommittee held a markup on legislation (H.R. 5214) that would require the Secretary of Health and Human Services (HHS) to provide recommendations for the development and use of clinical data registries for the improvement of patient care.

Members of the Committee addressed the continued need for the implementation of clinical data registries as part of physician payment reform. Lawmakers suggested that registries would improve patient care and make data related to chronic disease prevention and treatment more readily available to patients and providers. Specifically, the bill would require the HHS Secretary to publish recommendations on best practices for the development of clinical data registries.

The House Energy and Commerce Committee approved the bill in a July 30 vote.

To watch the Committee markup, click here.