



Wednesday, January 25, 2017

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### **Senate Holds Confirmation Hearings on Congressman Tom Price as HHS Secretary**

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### **January MedPAC Meeting Focuses on Physician Payment**

On January 12, the Medicare Payment Advisory Commission (MedPAC) discussed a series of payment and policy recommendations regarding physician payments. **Read below.**

## President Trump Signs Executive Order Facilitating ACA Repeal

On his first day in office, President Donald Trump signed an executive order aimed at facilitating the repeal of the Affordable Care Act (ACA). While the order itself is broad and unspecific in scope, it's goal was to allow federal agencies to make regulatory changes to reduce the law's impact. This includes measures to weaken the individual mandate through a looser definition of the hardship exemption, which technically could be expanded to include anyone who doesn't currently have insurance. Agencies would also have the ability to delay collecting the penalties for not complying with the mandate.

The order also allows agencies the flexibility to approve Medicaid waivers to states and freeze ACA-related regulations. Much of the order however, likely will not be implemented until the heads of critical agencies are confirmed by the Senate. This includes Health and Human Services Secretary nominee Tom Price and the President's nominees to run the Centers for Medicare & Medicaid Services, and the IRS, which is charged with collecting the taxes associated with the law.

To view the full executive order, [CLICK HERE](#).

## Congress Passes Budget Resolution with ACA Repeal Instructions



Earlier this month, both the U.S. Senate and House of Representatives voted to pass a budget resolution that contains instructions to repeal the Affordable Care Act (ACA), enabling Congress to pass a reconciliation bill to repeal major sections of the law with a simple majority. The Senate passed the measure by a vote of 51-48 and the House passed it by a vote of 227-198, both along party-lines.

Debate continues over what action should be taken once the ACA is repealed. Congress has not yet agreed to a plan to replace the law; however, several ideas have been floated by the Administration and Republican members of Congress. On Monday, Senators Bill Cassidy (R-LA) and Susan Collins (R-ME) introduced *The Patient Freedom Act of 2017* to replace the law. Under their [plan](#), states would have the option to keep large parts of the ACA intact or design their own mechanism for covering the uninsured. Some of the most popular elements of the law, including the coverage of essential health benefits relating to mental health and substance abuse, the ban on discriminating against those with a pre-existing condition, and the ability for children to remain on their parent's health insurance until age 26, would remain.

President Donald Trump has repeatedly said that he would prefer the ACA be repealed and replaced simultaneously. He remained unspecific about the timeline and the White House has not formally released any additional details.

House and Senate Republicans are in Philadelphia for a joint retreat to discuss their policy agenda including how to move forward on repealing and replacing the ACA.

To view the full budget resolution, [CLICK HERE](#).

## Senate Holds Confirmation Hearings on Congressman Tom Price as HHS Secretary



Congressman Tom Price (R-GA), President Trump's nominee for Secretary of Health and Human Services faced a second round of confirmation hearings this week, this time before the Senate Finance Committee. Last week, Congressman Price was questioned before the Senate Health, Education, Labor, and Pensions (HELP) Committee.

During the Finance Committee hearing, Congressman Price vowed that he would not “abandon” people with pre-existing conditions during the repeal process. He has previously said that he did not wish to “pull the rug out from anybody” or cause anyone to lose insurance coverage as Congress moves to replace the law. However, he avoided directly answering questions about whether he favored transforming Medicaid into a block-grant program or whether he would use the recent executive order signed by President Trump to eliminate the ACA's individual mandate.

Congressman Price was questioned heavily at the HELP Committee hearing about his views on the Center for Medicare & Medicaid Innovation (CMMI). He expressed opposition to mandatory CMMI demonstrations including the Medicare Part B Demonstration Model and other approaches that allow government to interfere in physician decision making. Despite concerns with mandatory demonstrations, Congressman Price did express his support for CMMI and its potential to improve health care value through delivery reforms.

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

To read Congressman Price's testimony to the Finance Committee, [CLICK HERE](#).

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

To view Congressman Price's testimony to the HELP Committee, [CLICK HERE](#).

## January MedPAC Meeting Focuses on Physician Payment



On January 12, the Medicare Payment Advisory Commission (MedPAC) discussed a series of payment and policy recommendations regarding physician payments. Notably, the Commission debated changes to Medicare reimbursement for Part B drugs. Staff presented policy options to Part B drug reform that mirrors the approach to physician payment reform under MACRA. There would be two tracks for Part B drug reimbursement: a re-vamped version of the current ASP +6% payment methodology and the creation of a new program that would allow Medicare to negotiate drug prices under Medicare

Part B. The proposal, known as the Part B Drug Value Program, would allow private vendors to negotiate drug prices and pass the savings along to providers.

The Commission also recommended Congress increase payment rates to physicians by 0.5 percent by 2018, the amount currently specified by law. The advisory panel also recommended that Congress increase hospital pay by 1.85 percent for both inpatient and outpatients and reiterated in its support for site neutral payments for hospital outpatient departments (HOPDs). Additionally, MedPAC voted to recommend hospitals be required to track the expansion of off-campus stand-alone emergency departments.

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