



Thursday, October 5, 2017

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### **Lawmakers Push for Delay of 340B Drug Cuts**

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### **Graham-Cassidy Amendment Halts in the Senate, Repeals Future Now Uncertain**

The Republicans' latest attempt to repeal and replace the Affordable Care Act failed to secure the 50 votes needed to pass under the chamber's special reconciliation rules after Senators John McCain (R-AZ), Susan Collins (R-ME) and Rand Paul (R-KY) stated that they would vote against the bill. [Read below.](#)

### **House, Senate Unveil Competing Fiscal Year 2018 Budget Resolutions**

Last Friday, the Senate Budget Committee released its FY 2018 Budget proposal, which differs substantially from the resolution released in the House of Representatives earlier this year. [Read below.](#)

## HHS Secretary Tom Price, MD Resigns



Last week, Health and Human Services Secretary Tom Price, MD resigned after a controversy over his use of chartered aircraft to conduct official and personal business.

Don Wright, who was named Acting Assistant Secretary of Health in February and has previously served as the Director of the Office of Disease Prevention and Health Promotion since 2012, will take over as Acting HHS Secretary until President Trump nominates a replacement.

To read Secretary Price's resignation letter, [CLICK HERE](#).

To read Acting Secretary Don Wright's official biography, [CLICK HERE](#).

## CMS Officially Withdraws Part B Drug Payment Demonstration

On Tuesday, the Centers & Medicare and Medicaid Services (CMS) officially released notice that it will be withdrawing the Medicare Part B Drug Payment Model. The demonstration, which was originally proposed under the Obama Administration, would have applied significant cuts to the reimbursement rates most types of physician-administered drugs in hopes of incentivizing physicians to prescribe more generic medications.

Many physician and provider groups, including The US Oncology Network, objected to the proposal because many patients – especially those suffering from various types of cancer, arthritis and autoimmune diseases – have unique treatment needs that would make it inappropriate or even harmful to switch medications for cost-related reasons.

In its accompanying notice of withdrawal, CMS stated that it will continue to develop payment models that will reduce Medicare expenditures while improving quality, accessibility and affordability within the program.

To view CMS' official notice of withdrawal, [CLICK HERE](#).

## Lawmakers Push for Delay of 340B Drug Cuts

Last week, a bipartisan group of 228 lawmakers sent a letter to Centers for Medicare & Medicaid Services (CMS) Administrator Seema Verma asking her to reconsider a proposal to cut some 340B drug payments. The proposal would reduce the reimbursement rate for certain Medicare Part B drugs purchased under the 340B program to ASP -22.5% and has received strong pushback from hospitals.

However, some provider groups, including The US Oncology Network, note the unrestrained growth of the program and lack of transparency has been a contributing factor to the consolidation of community oncology practices by hospitals.

As the number of 340B covered entities has grown, the number of independent community cancer clinics has declined, resulting in a 30 percent shift in the site of service for chemotherapy administration from the physician office setting to the costlier hospital outpatient setting. As stated in comments to CMS on the proposal, “The Network is encouraged that CMS is looking at the potential abuse of this program and exploring opportunities to bring the program back in line with its original intent.”

To view the lawmaker’s letter, [CLICK HERE](#).

## Graham-Cassidy Amendment Halts in the Senate, Repeals Future Now Uncertain



The Republicans’ latest attempt to repeal and replace the Affordable Care Act (ACA) failed to secure the 50 votes needed to pass under the chamber’s special reconciliation rules after Senators John McCain (R-AZ), Susan Collins (R-ME) and Rand Paul (R-KY) stated that they would vote against the bill. The 2017 Budget Resolution, which enabled the Senate to pass a repeal bill with only 50 votes instead of the usual 60, expired at midnight on September 30.

Known as the Graham-Cassidy amendment, the bill would have transformed existing funding for the ACA’s premium tax credits and the Medicaid expansion into a block grants for the states to develop their own insurance coverage programs. It would have also further reduced Medicaid spending by implementing per capita caps. All of the ACA’s original taxes, except for the medical device tax, would have remained in place.

The Graham-Cassidy proposal also received broad opposition from physician, provider, insurer and patient groups alike including the [American Medical Association](#), [American Hospital Association](#), [Blue Cross Blue Shield Association](#), [AARP](#) and [Center for Medicare Advocacy](#).

Now that the fiscal year deadline has passed, the path forward to repealing the ACA remains uncertain. The FY [2018 budget resolution](#), which was unveiled by the Senate Budget Committee on Friday, possibly leaves the door open for another repeal effort. However, the resolution does not contain reconciliation instructions for the Senate HELP committee, which has significant jurisdiction over the ACA.

Furthermore, bipartisan talks to fix the ACA have already restarted after having been suspended the week before as the debate over Graham-Cassidy heated up. Though no

agreement has yet been reached, Senate HELP Committee Chair Lamar Alexander (R-TN) and Ranking Member Patty Murray (D-WA) both expressed optimism over a plan to permanently fund the ACA's cost sharing subsidies to insurers in exchange for allowing states more flexibility to waive the laws requirements under the Section 1332 State Innovation waiver program.

## House, Senate Unveil Competing Fiscal Year 2018 Budget Resolutions

Last Friday, the Senate Budget Committee released its FY 2018 Budget proposal, which differs substantially from the resolution released in the House of Representatives earlier this year.

Unlike the House resolution, which calls for the budget to be balanced within ten years, the Senate proposal explicitly authorizes \$1.5 trillion in additional short-term deficit spending. Senate leadership expects to use this additional flexibility to pass a tax reform package, which outside analysts anticipate will add to the deficit, at least in the short term. The proposal also potentially leaves the door open for repealing all or part of the ACA through reconciliation, though it lacks the necessary reconciliation instructions for the Senate HELP Committee, which the FY 2017 resolution included.

The House proposal, by contrast, calls for \$6.5 trillion in deficit reductions over a ten-year period and contains reconciliation instructions to 11 committees to achieve \$203 billion in mandatory spending cuts. The budget also expects to save \$700 billion through reducing government-wide improper payments.

The Senate will mark up its proposal in committee this week and expects to schedule a vote soon after. The House also plans to vote on its proposal, but no vote has been scheduled.

To view the Senate's FY 2018 Budget Resolution, [CLICK HERE](#).

To view a summary of the Senate's Resolution, [CLICK HERE](#).

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