

Another Wild Ride?

BY LEAH RALPH



Congress rang in the New Year with a massive tax overhaul and a government shutdown over immigration—another unpredictable year in Washington, D.C., seems like a foregone conclusion.

Now several months into 2018, is the turbulence slowing down or ratcheting up? Although MedPAC's January vote recommended that Congress eliminate the Merit-Based Incentive Payment System, the Department of Health and Human Services continues its push to tie Medicare reimbursement to quality and value with the new Quality Payment Program (QPP). Though CMS's 2018 regulatory updates to the QPP granted additional flexibility for clinicians (i.e., more exemptions and allowing providers to report in virtual groups), the agency also moved up the timeline for clinicians to be held accountable for the cost of care they provide their patients. An ACCC priority for 2018 is continuing ongoing advocacy efforts urging that QPP implementation be appropriately flexible and financially workable for clinicians.

Then, at the end of January, we saw Alex Azar sworn in as Department of Health and Human Services secretary. Unlike his predecessor, Tom Price, Secretary Azar is not a clinician, and it is likely that we will see less of a commitment to flexibility and reduced administrative burden for providers. Secretary Azar has indicated that he is not opposed to mandatory demonstration

programs, and we may see more of these from the Center for Medicare and Medicaid Innovation to advance the administration's goals. Secretary Azar's background in the pharmaceutical industry has also fueled speculation that the administration's proclaimed commitment to drug pricing reform—the details of which have been hazy at best—may gain some traction. During his confirmation hearings before the House Energy and Commerce Committee, Azar noted that drug prices are “too high.” Though opposed to government negotiation of drug pricing, Secretary Azar has indicated that he is not against some form of third-party negotiation in Medicare Part B (similar to pharmacy benefit managers in Medicare Part D). Whether Part B reimbursement will be in the spotlight again in the coming months is not clear but, as always, it is wise to buckle your seatbelt.

On the heels of CMS finalizing the policy to reduce Part B drug payments for 340B hospitals by nearly 30 percent in 2018, we are likely to see the debate around the 340B Drug Pricing Program heat up. The House Energy and Commerce Committee released a report calling for more transparency and reporting from providers and for Congress to give the Health Resources and Services Administration (HRSA) the authority and resources it needs to oversee the program. Meanwhile, two different bills have been introduced—one in the House and one in the Senate—that would place a moratorium on new entities entering the 340B program,

establish new reporting requirements for current 340B providers including drug acquisition costs and revenue, and require that HRSA promulgate new regulations that clarify the program. Last September, ACCC released principles for 340B reform that also call for more clarity from HRSA to better refine and sustain the program. Meanwhile, the American Hospital Association, the Association of American Medical Colleges, and America's Essential Hospitals are pursuing their lawsuit to prevent CMS from enforcing the reductions to 340B hospitals in 2018.

Where does the Affordable Care Act stand in the 2018 policy landscape? At the end of 2017, Congress repealed the individual mandate. Because this will almost certainly drive up premiums on the exchanges in 2019, some sort of market stabilization legislation will be imperative this year. Though some members of Congress seem committed to continuing efforts to repeal the Affordable Care Act, others, including Senate Majority Leader Mitch McConnell, are intent on “moving on” to other issues such as immigration and entitlement reform.

As the 2018 policy ride continues, the ACCC policy team is your GPS. Contact us with your questions and concerns as we navigate the road ahead together.

Leah Ralph is ACCC Director of Health Policy. 