



Thursday, November 16, 2017

Alex Azar Nominated to be Next HHS Secretary

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House Energy & Commerce Committee Holds Hearing on Alternative Payment Methods

On November 8, the Energy & Commerce Subcommittee on Health held a hearing to discuss Alternative Payment Models (APMs), which were a major feature of the 2015 Medicare Access and CHIP Reauthorization Act (MACRA). [Read below.](#)

New CBO Analysis Finds Repealing the ACA Individual Mandate Would Save \$338 Billion

A new analysis by the Congressional Budget Office (CBO) released this week found that repealing the mandate requiring all Americans to have insurance coverage would save the government \$338 billion over ten years, mostly as a result of fewer people purchasing coverage who would otherwise qualify for subsidies. [Read below.](#)

Physicians Advocacy Institute Study Examines Hospital Employment of Physicians

A new study commissioned by the Physicians Advocacy Institute (PAI) found that the growing trend of physician employment by hospitals has led to higher costs to patients and the Medicare system. [Read below.](#)

CMMI Report Outlines Episode-Based Payment Model for Radiation Therapy

On November 3, the Center for Medicare and Medicaid Innovation (CMMI) released a report to Congress outlining an episode-based payment model for radiation therapy. [Read below.](#)

Hospital Groups File Lawsuit over 340B Program Cuts

On November 13, the American Hospital Association, the Association of American Medical Colleges and America's Essential Hospitals filed a lawsuit against the Department of Health and Human Services (HHS) to block its new rule cutting payments for certain drugs acquired through the 340B Drug Discount Program. **Read below.**

113 Healthcare Stakeholders Send Letter Urging Seema Verma to Implement CMMI Guardrails

On November 15, 113 healthcare stakeholder groups, including The US Oncology Network, signed a letter to CMS Administrator Seema Verma urging her to implement new "guardrails" for the Centers for Medicare and Medicaid Innovation (CMMI) that would promote greater flexibility and patient engagement in the center's operations. **Read below.**

FULL ARTICLES

Alex Azar Nominated to be Next HHS Secretary



On October 13, President Trump announced the nomination of Alex Azar, a former pharmaceutical executive and Bush Administration official, to serve as the next Secretary of Health and Human Services.

Mr. Azar previously worked for the Department of Health and Human Services (HHS) on two occasions under President George W. Bush, first as General Counsel then as Deputy Secretary. He later worked for the pharmaceutical company Eli

Lilly, where he rose to become president of the company's U.S. operations. He stepped down from that position in January of this year.

To read supportive statements on the nomination, [CLICK HERE](#).

House Energy & Commerce Committee Holds Hearing on Alternative Payment Methods



On November 8, the Energy & Commerce Subcommittee on Health held a hearing to discuss Alternative Payment Models (APMs), which were a major feature of the 2015 Medicare Access and CHIP Reauthorization Act (MACRA).

The hearing focused on the ongoing payment reforms called for under MACRA as well as the Centers for Medicare & Medicaid Services' (CMS) continued efforts to encourage more providers to adopt value-based payment systems. Members also heard from the Physician Technical Advisory Committee (P-TAC), which is tasked with making

comments and recommendations to HHS about physician-focused payment models developed by stakeholder groups.

Testifying witnesses at the hearing included:

- **Dr. Jeffrey Bailet**, Chairperson of Physician-Focused Payment Model Technical Advisory Committee (P-TAC)
- **Ms. Elizabeth Mitchell**, Vice Chairperson of the Physician-Focused Payment Model Technical Advisory Committee
- **Dr. Brian Kavanagh**, Chair of American Society for Radiation Oncology
- **Dr. Frank Opelka**, Medical Director of Quality and Health Policy for the American College of Surgeons
- **Dr. Daniel Varga**, Chief Clinical Officer of Texas Health Resources, Premier, Inc.
- **Dr. Bill Wulf**, CEO of Central Ohio Primary Care Physicians
- **Dr. Colin Edgerton** of the American College of Rheumatology
- **Dr. Louis Friedman** of the American College of Physicians

To download witness testimony and view a recording of the hearing, [CLICK HERE](#).

New CBO Analysis Finds Repealing the ACA Individual Mandate Would Save \$338 Billion

A new analysis by the Congressional Budget Office (CBO) released this week found that repealing the mandate requiring all Americans to have insurance coverage would save the government \$338 billion over ten years, mostly as a result of fewer people purchasing coverage who would otherwise qualify for subsidies. The report also found that 13 million fewer people would be insured by 2027 and average premiums would increase by about 10 percent annually if the mandate were to be repealed.

These numbers are an update from an estimate released last December that showed repealing the mandate would save \$416 billion over ten years, but lead to 15 million fewer people having insurance.

Repealing the individual mandate, along with the rest of the Affordable Care Act, has long been a goal of Congressional Republicans and the Trump Administration. A bill to repeal the law fell one vote short of passing the Senate this summer, though senior officials have discussed repealing other parts of the ACA at a later date. On Tuesday, Senate leaders included a provision to repeal the ACA's mandate in their latest bill to overhaul the tax code. It remains to be seen whether that provision has enough support to win over a majority of the chamber.

To view the CBO's full analysis, [CLICK HERE](#).

Physicians Advocacy Institute Study Examines Hospital Employment of Physicians



A new study commissioned by the Physicians Advocacy Institute (PAI) found that the growing trend of physician employment by hospitals has led to higher costs to patients and the Medicare system.

According to the study, which was conducted by Avalere Health on behalf of PAI, physician employment by hospitals grew by 49 percent between 2012 and 2015. Because Medicare reimburses providers at a higher rate for services rendered in a hospital outpatient department (HOPD) setting, providers have an incentive to grow their outpatient operations and hire more physicians who were previously part of an independent practice.

The study also found that physicians employed by hospitals perform a significantly higher volume of services in an HOPD setting than in physician offices. Additionally, the study found that for certain cardiology, orthopedic and gastroenterology services, hospital employment of physicians resulted in 27 percent higher costs for Medicare and 21 percent higher costs for patients, on average.

To view the full PAI Study, [CLICK HERE](#).

CMMI Report Outlines Episode-Based Payment Model for Radiation Therapy

On November 3, the Center for Medicare and Medicaid Innovation (CMMI) released a report to Congress outlining an episode-based payment model for radiation therapy.

It included a discussion of several alternative payment model design considerations, including the type of alternative payment model, how the model is expected to result in clinical practice transformation, the rationale for such a model, the potential scale, its alignment with other initiatives, how the model may measure improved clinical quality and patient experience, and how readily providers may participate were presented.

The report concludes that CMS would need to consider these issues before moving forward with any future episode payment model on radiation therapy services and continue to seek input from stakeholders on these important issues.

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

Hospital Groups File Lawsuit over 340B Program Cuts

On November 13, the American Hospital Association, the Association of American Medical Colleges and America's Essential Hospitals filed a lawsuit against the Department of Health and Human Services (HHS) to block its new rule cutting payments for certain drugs acquired through the 340B Drug Discount Program. They were joined by Eastern Maine Healthcare Systems, Henry Ford Health System in Detroit and Park Ridge Health in Hendersonville, North Carolina.

Under rules finalized by CMS earlier this month, payments for physician-administered drugs would be cut by more than 28 percent – an estimated \$1.6 billion loss for hospitals. In their lawsuit, the groups claim that hospitals that serve vulnerable and low income patients would be disproportionately harmed by the cuts, though CMS' rules do exempt community clinics, certain cancer and children's hospitals as well as those located in rural areas.

In formal comments to CMS regarding the proposed changes to 340B drug reimbursement, The Network cited "the unrestrained growth of the 340B program as a contributing factor to the unwarranted consolidation of community oncology practices."

To read the AHA press statement, [CLICK HERE](#).

113 Healthcare Stakeholders Send Letter Urging Seema Verma to Implement CMMI Guardrails



On November 15, 113 healthcare stakeholder groups with the Part B Access for Seniors and Physicians (ASP) Coalition, including The US Oncology Network, signed a letter to CMS Administrator Seema Verma urging her to implement new "guardrails" for the Centers for Medicare and Medicaid Innovation (CMMI) that would promote greater flexibility and patient engagement in the center's operations.

"We understand that innovation in healthcare is crucial to the continued success of Medicare programs, but patient outcomes should not be sacrificed in the process. CMMI's current ability to mandate radical changes to a broad population of patients threatens to disrupt successful treatment plans and create additional roadblocks to care. We urge you to finalize CMMI safeguards through notice and comment rulemaking to ensure transparency and accountability in future models and continued access to care for patients who depend on Part B medicines," the groups write.

In a September speech, Verma pledged a new direction for CMMI and announced that the agency will hold a request for information for stakeholders to offer recommendations for how the agency should move forward.

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