



Tuesday, June 4, 2019

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CMS Releases 2020 Medicare Advantage and Part D Drug Pricing Final Rule

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Senate HELP Committee Unveils Bipartisan Healthcare Legislation

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House Energy & Commerce Committee Holds Hearing on Drug Pricing Bills

On May 21, the House Energy and Commerce Committee held a hearing titled “Improving Drug Pricing Transparency and Lowering Prices for American Consumers.” [Read below.](#)

House Committees on Energy & Commerce and Ways & Means Release Draft Legislation to Reform Medicare Part D

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CMS Delays CAR-T Coverage Policy

On May 22, the Centers for Medicare & Medicaid Services (CMS) Administrator Seema Verma provided more details about why the agency decided to delay coverage for chimeric antigen receptor T-cell therapies (CAR-T). [Read below.](#)

The Network Hosts Congressman Kevin Brady for Employee Town Hall



On May 28, The Network hosted Congressman Kevin Brady (R-TX) for an Employee Town Hall in The Woodlands. Congressman Kevin Brady represents Texas' 8th Congressional District, which encompasses The Woodlands, and he serves as Ranking Member on the House Ways and Means Committee, which plays a leading role in developing health policy. Congressman Brady spoke about the Committee's work to lower the cost of health care and answered questions from employees about efforts in D.C. to reduce prescription drug prices.

CMS Releases 2020 Medicare Advantage and Part D Drug Pricing Final Rule

On May 23, the Centers for Medicare & Medicaid Services (CMS) released its final rule detailing the Medicare Advantage and Part D programs which finalized several changes to how plans can tailor their prescription drug formularies. CMS finalized regulations similar to the policy implemented for 2019, which allows Medicare Advantage plans to apply step therapy to coverage of Part B drugs. The rule also included several patient safeguards including extending the lookback period used to assess whether a patient had been actively taking a medication in order to determine whether the patient would be subject to step therapy from 108 days to 365 days, as well as requiring MA plans to make determinations for Part B drug coverage within 24 hours for expedited requests and 72 hours for standard requests.

CMS also codified an existing policy to allow Part D plans to impose prior authorization and step therapy requirements for new patients for 5 of the 6 protected classes, with no prior authorization or step therapy allowed for antiretrovirals. Plans must still include all protected drug classes on their formularies, indicating that CMS did not finalize an earlier proposal that would have allowed plans to exclude drugs within a protected class on the basis of price hikes or if it represented a new formulation of an existing drug.

CMS did not finalize a policy to require inclusion of pharmacy price concessions in the Part D negotiated price at the point of sale.

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

To view a press release on the final rule, [CLICK HERE](#).

To view a fact sheet on the final rule, [CLICK HERE](#).

Senate HELP Committee Unveils Bipartisan Healthcare Legislation

On May 23, the Senate Health Education, Labor, and Pensions (HELP) Committee released a bipartisan discussion draft of legislation meant to reduce healthcare costs and deliver better care. The bill proposes a number of changes to the U.S. healthcare system, including:

- ending surprise medical billing;
- addressing high prescription drug costs by promoting the development and approval of generic and biosimilar drugs;
- improving cost transparency in healthcare by requiring additional disclosures from payers and providers, and;
- improving public health and the exchange of health information through the establishment of various training and grant programs within the federal government.

The bill stops short of implementing a Trump Administration proposal for drug rebates to be shared with beneficiaries at the point of sale for Part D and Medicaid managed care plans. Instead, PBMs will be required to pass all rebates to plan sponsors and give insurers quarterly reports on costs, fees and rebates. It also bans PBMs from engaging in spread pricing, where the company pockets the difference between the price they pay for a drug and what the insurer pays.

The discussion draft was the product of several hearings and requests for stakeholder input on ways to address the high cost of healthcare and prescription drugs.

To view the legislation, [CLICK HERE](#)

To view a section-by-section summary, [CLICK HERE](#).

House Energy & Commerce Committee Holds Hearing on Drug Pricing Bills

On May 21, the House Energy and Commerce Committee held a hearing titled "Improving Drug Pricing Transparency and Lowering Prices for American Consumers."

The hearing addressed seven pieces of legislation that aim to improve drug pricing transparency, including the Stopping the Pharmaceutical Industry from Keeping drugs Expensive (SPIKE) Act (H.R. 2069), which would compel pharmaceutical companies to justify price increases, and the Fair Accountability and Innovative Research (FAIR) Drug Pricing Act (H.R. 2296), which would force drug makers to submit pricing information and a justification report to HHS at least 30 days in advance of drug-price increases larger than 10 percent over one year or 25 percent over three years. A bill that combined the SPIKE Act and the FAIR Drug Pricing Act was previously unanimously passed by the House Ways & Means Committee.

Representatives from pharmacy benefit management (PBM) groups expressed concern that the drug transparency bills would make it harder for PBMs to effectively negotiate with drug companies. They also argue that eliminating rebates may actually lead to higher drug prices.

To view a recording of the hearing and a summary of the bills, [CLICK HERE](#).

House Committees on Energy & Commerce and Ways & Means Release Draft Legislation to Reform Medicare Part D

On May 23, the House Committees on Energy & Commerce and Ways & Means released a bipartisan discussion draft and sought feedback on ways to reform the Medicare Part D program. The proposal would establish an out-of-pocket cap for Medicare beneficiaries based on the current catastrophic threshold and reduce the government's share of the catastrophic coverage from 80 percent to 20 percent over four years. The committees seek comment on these proposed policies as well as request feedback on other ways to modernize the Part D benefit structure, including changes to the coverage gap, the catastrophic threshold, liability in the catastrophic tier, promotion of lower-cost generic alternatives, improvements to the low-income subsidy program, and premium considerations.

A recent study in The Journal of the American Medical Association (JAMA) showed seniors are paying more out of pocket for cancer drugs through Medicare Part D today than they did in 2010. Despite the Affordable Care Act's provisions to help close the coverage gap (doughnut hole), price increases over the last decade have offset expected savings for cancer patients who need specialty drugs.

To view the draft legislation and the solicitation for comments, [CLICK HERE](#).

To read the JAMA study, [CLICK HERE](#).

CMS Delays CAR-T Coverage Policy

On May 22, Seema Verma, Administrator of the Centers for Medicare & Medicaid Services (CMS), provided more details about why the agency decided to delay coverage for chimeric antigen receptor T-cell therapies (CAR-T). The rule was scheduled to be published on May 17 but was delayed without explanation the week before Verma's comments. Because the rule would impact coverage of CAR-T drugs beyond the two already on the market, Administrator Verma stressed that CMS should work with researchers to discuss appropriate ways to cover the new, expensive therapies.

"I think we need to have a serious discussion about how we are going to pay for these treatments. These drugs that are coming out are one time, they're curative treatments and so these are very different than what we've dealt with in the past and I think the

payment systems that we have in place are really not set up to deal with that,” Verma said.

To read more about the decision, [CLICK HERE](#).

To read CMS’ proposed coverage policy for CAR-T released in February, [CLICK HERE](#).

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