



Tuesday, June 18, 2019

The Network's Ben Jones Discusses the Impact of Step Therapy in Medicare Advantage

On June 7, the American Journal of Managed Care published an interview with Ben Jones, Vice President of Government Relations and Public Policy about the impact of CMS' proposal to allow Medicare Advantage plans to implement step therapy for Part B drugs. [Read below.](#)

Bipartisan Bill to Improve Prior Authorization Transparency Introduced in House

On June 5, a bipartisan bill to streamline and standardize prior authorization in Medicare Advantage plans was introduced in the House of Representatives. [Read below.](#)

Drug Pricing Legislation Update: Cassidy Introduces Bill Package, Promotes Value-Based Payments

Senator Bill Cassidy, M.D. (R-LA) recently announced plans to introduce a package of five drug pricing bills aimed at addressing prescription drug costs. [Read below.](#)

CMS Seeks Fresh Ideas On How To Reduce Provider Administrative Burdens

On June 6, the Centers for Medicare & Medicaid Services (CMS) released a request for information (RFI) seeking new ideas from the public on how to shift more clinician time and resources from administrative work to patient care. [Read below.](#)

Senate Judiciary Subcommittee Holds Hearing on Healthcare Consolidation

On June 13, the Senate Judiciary Committee Subcommittee on Antitrust, Competition Policy, and Consumer Rights held a hearing to discuss the competitive implications of vertical consolidation in the healthcare industry. [Read below.](#)

House Ways & Means Committee Holds Hearing on Universal Healthcare

On June 13, the House Ways & Means Committee held a hearing titled "Pathways to Universal Coverage" featuring testimony from a half dozen policy experts to discuss ways to achieve universal healthcare coverage, including various Medicare for All, Medicare buy-ins, and other single payer proposals. [Read below.](#)

Pharmaceutical Companies Invest Heavily in Cancer Treatments

In early June, EvaluatePharma® released its *World Preview 2019, Outlook to 2024*. The report shows that global drug sales are expected to reach \$1.18 trillion in 2024, compared to \$843 billion in 2019. **[Read below.](#)**

Merck, Lilly and Amgen Sue HHS Over Drug Prices in Ads

On June 14, drug makers and advertisers sued the Department of Health and Human Services (HHS) over a rule requiring that list prices be included in direct-to-consumer drug ads. **[Read below.](#)**

The Network's Ben Jones Discusses the Impact of Step Therapy in Medicare Advantage

On June 7, the American Journal of Managed Care published an interview with Ben Jones, Vice President of Government Relations and Public Policy about the impact of CMS' proposal to allow Medicare Advantage plans to implement step therapy for Part B drugs. Speaking at the ACCC Annual Meeting & Cancer Center Business Summit in March, Jones said that CMS' proposal is "probably the biggest concern that every community and cancer practice should be looking at."

Jones also expressed serious concern that this proposal, along with a proposed relaxing of protected classes and CMS' forthcoming plan to use an International Pricing Index (IPI) to pay for certain drugs could seriously threaten Medicare beneficiary's access to Part B therapies.

To read a transcript of the interview, [CLICK HERE](#).

To read the Medicare Advantage and Part D Drug Pricing Final Rule, [CLICK HERE](#).

Bipartisan Bill to Improve Prior Authorization Transparency Introduced in House

On June 5, a bipartisan bill to streamline and standardize prior authorization requirements in Medicare Advantage plans was introduced in the House of Representatives. The Improving Seniors' Timely Access to Care Act of 2019 (H.R. 3107), sponsored by Representatives Suzan DelBene (D-WA), Mike Kelly (R-PA), Roger Marshall, M.D. (R-KS), and Ami Bera, M.D. (D-CA) would require CMS to regulate insurers' use of prior authorization and establish a process to make 'real-time decisions' for services that are routinely approved. MA plans would also be required to offer an electronic prior authorization process and regularly report to CMS about their use of prior authorization, including how often they approve or deny treatments.

Originally intended to control costs by reducing unnecessary tests and procedures, the extensive use of prior authorization by private insurance plans has come under increased scrutiny from patient advocates who claim it creates additional hurdles for physicians and can lead to delays in treatment that may endanger a patient's health.

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

To read the press release from the bill sponsors, [CLICK HERE](#).

Drug Pricing Legislation Update: Cassidy Introduces Bill Package, Promotes Value-Based Payments

Senator Bill Cassidy, M.D. (R-LA) recently announced plans to introduce a package of five drug pricing bills aimed at addressing prescription drug costs, portions of which may be included in a forthcoming legislative package from the broader Senate Finance Committee. The package includes bills to:

- **Promote value-based pay** through the Patient Affordability Value and Efficiency Act, a bipartisan bill sponsored by Cassidy and Senator Mark Warner (D-VA) that would exempt value-based pay arrangements from anti-kickback laws.
- **Encourage biosimilar adoption** by partly basing Medicare Advantage star ratings on how well plans encourage biosimilars over their more expensive counterparts.
- **Discourage PBM price concessions** that unfairly penalize pharmacies and add pharmacy quality metrics into Medicare Part D to help pharmacies to receive additional reimbursements for helping patients comply with complicated drug regimens.
- **Reform Medicaid rebates** by changing how average manufacturer prices (AMP) are calculated in order to help state Medicaid programs receive higher rebates from drug manufacturers. The bill would exclude authorized generics from average manufacturer price calculations, inflating the AMP on which the rebates are based.

On June 12, Senator Cassidy penned an op-ed in STAT News discussing novel ways public and private payers should think about financing gene-therapy treatments, which have the potential to deliver significant outcomes but come with high upfront costs.

To read Senator Cassidy's op-ed, [CLICK HERE](#).

CMS Seeks Fresh Ideas On How To Reduce Provider Administrative Burdens

On June 6, the Centers for Medicare & Medicaid Services (CMS) released a request for information (RFI) seeking new ideas from the public on how to shift more clinician time and resources from administrative work to patient care.

The RFI specifically calls for ideas on how to address the streamlining of CMS reporting requirements; easing prior authorization procedures; enabling better data sharing; improving quality reporting; addressing overly burdensome policies for rural providers; and simplifying rules for beneficiaries dually enrolled in Medicare and Medicaid.

As CMS continues to address physicians' concerns about administrative burdens, some complain the agency's shift to value-based payment models has created complex new requirements; electronic health records that are not user-friendly or interoperable; and, overwhelming requirements and policies put in place by myriad payers.

To read the complete request for information, [CLICK HERE](#).

Senate Judiciary Subcommittee Holds Hearing on Healthcare Consolidation

On June 13, the Senate Judiciary Subcommittee on Antitrust, Competition Policy, and Consumer Rights held a hearing to discuss the competitive implications of vertical consolidation in the healthcare industry. Witnesses included:

- Professor Craig Garthwaite, Kellogg School Of Management, Northwestern University
- Professor Thomas Greaney, College Of The Law, UC Hastings
- Mr. Cory Capps, Partner, Bates White Economic Consulting
- Dr. Fiona M. Scott Morton, Ph.D., Theodore Nierenberg Professor Of Economics, Yale School of Management

While the primary focus of the hearing was on health plan and pharmacy benefit manager (PBM) mergers, there was also discussion about hospital acquisition of physician practices. In his testimony, Professor Greaney stated, “A significant body of research demonstrates that when hospitals in concentrated markets acquire physician practices, they raise the prices their employed physicians charge, exercising their market power and taking advantage of regulations that improperly reward consolidation. Not only have commercial insurers paid more as a result of vertical mergers, but so has Medicare: it pays both a physician fee and hospital facility fee when a physician becomes part of a hospital outpatient department whereas it would pay only a physician fee if the service had been provided in an outpatient physician office. And let’s not forget the effect all this has on consumers who face high co-pays and deductibles: not only unaffordable prices, but for many foregoing needed health care.”

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

House Ways & Means Committee Holds Hearing on Universal Healthcare

On Wednesday, the House Ways & Means Committee held a hearing titled “Pathways to Universal Coverage” featuring testimony from a half dozen policy experts to discuss ways to achieve universal healthcare coverage, including various Medicare for All, Medicare buy-ins, and other single payer proposals. Witnesses included:

- Rebecca Wood, Patient advocate and mother who lives outside of Boston, Massachusetts
- Tricia Neuman, Sc.D., Senior Vice President and Director of the Program on Medicare Policy at the Henry J. Kaiser Family Foundation
- Donald M. Berwick, MD, MPP, President Emeritus and Senior Fellow at the Institute for Healthcare Improvement; Former Administrator of the Centers for Medicare & Medicaid Services

- Pam MacEwan, Chief Executive Officer for the Washington Health Benefit Exchange in the state of Washington
- Chiquita Brooks-LaSure, MPP, Managing Director at Manatt Health
- Grace-Marie Turner, President of the Galen Institute

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

Pharmaceutical Companies Invest Heavily in Cancer Treatments

In early June, EvaluatePharma® released its *World Preview 2019, Outlook to 2024*. The report shows that global drug sales are expected to reach \$1.18 trillion in 2024, compared to \$843 billion in 2019. An estimated 20 percent of the 2024 total is expected to be spent on orphan drugs that treat small populations of patients with rare diseases, indicating that most cost increases are being fueled by drugs with few—if any—competitors.

The report also found the single biggest investment pharmaceutical companies are making is in oncologic care. In 2019, pharmaceutical companies spent over \$91 billion in the U.S. drug development pipeline for oncology, accounting for \$78.2 billion in net present value and an expected 126 FDA approvals. The second largest category, drugs for the central nervous system, saw \$31 billion of spending in the pipeline, accounting for \$16.7 billion in net present value and an expected 42 FDA approvals.

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

Merck, Lilly and Amgen Sue HHS Over Drug Prices in Ads

On June 14, drug makers and advertisers sued the Department of Health and Human Services (HHS) over a rule requiring list prices to be included in direct-to-consumer drug ads, claiming the rule violates their freedom of speech and could discourage patients from taking needed medicines.

Merck, Eli Lilly, Amgen and the Association of National Advertisers argue that the rule, slated to take effect July 9, would mislead and ultimately discourage patients from trying to get drugs, because they will think the list price is the same that they will pay. However, the groups argue, consumers usually pay lower prices negotiated through insurance coverage, rebates and other factors.

The suit was filed in the U.S. District Court for the District of Columbia.

To read a statement from Amgen, [CLICK HERE](#).