



Tuesday, September 3, 2019

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Canada Reacts to U.S. Import Plan After Meeting with Stakeholders

On August 12, Canadian Health Minister Petipas Taylor held a roundtable with healthcare stakeholders to create a plan on how to respond to the United States Department of Health and Human Services (HHS) plan to import drugs from Canada. [Read below.](#)

Court Consolidates Hospitals’ Site Neutral Payment Lawsuits

On August 27, the U.S. District Court for the District of Columbia consolidated hospitals’ lawsuits over reimbursement cuts for clinic visits at off-campus facilities after the American Hospital Association, Association of American Medical Colleges, and other hospitals agreed to combine their litigation. [Read below.](#)

Surprise Billing Debate Wages On

The debate over how to address surprise medical bills continues while Members of Congress are back in their districts during August. [Read below.](#)

Radiopharmaceutical Payment Equity Act Introduced in House

In July, Representatives Scott Peters (D-CA), George Holding (R-NC), and Bobby Rush (D-IL) introduced the Medicare Diagnostic Radiopharmaceutical Payment Equity Act of 2019 (H.R. 3772) which aims to expand patient access to diagnostic radiopharmaceuticals. [Read below.](#)

Updated CMS Rule to Impede Drug Company Coupon Practices

The Centers for Medicare & Medicaid Services (CMS) and the Department of Labor (DOL) issued updated guidance that will effectively give insurance companies greater leeway to halt the use of drug industry copay coupons.

CMS had issued a policy April that allowed insurance plans to exclude brand drug copay coupons from a patient's maximum out-of-pocket calculation when there was a medically appropriate generic drug available. After receiving feedback that the policy potentially conflicts with IRS rules governing high deductible health plans, CMS said it will not enforce the policy until new guidance is issued in 2021 to address the conflict. The policy applies to both group and individual markets.

To view the updated CMS guidance, [CLICK HERE](#).

To view the original policy from CMS, [CLICK HERE](#).

Grassley Seeks Deal with House Dems To Press McConnell On Drug-Pricing Vote

On August 16, Senate Finance Chair Chuck Grassley (R-IA) announced that Senate staff are coordinating with House Democrats to “pre-negotiate” drug pricing legislation that could pass—ideally in the fall. His remarks increased the pressure on Senate Majority Leader Mitch McConnell (R-KY) to allow a full floor vote on the legislation that cleared the Senate Finance Committee with the support of Democrats.

In a further sign that Senator Grassley is determined to garner bipartisan support for legislation that will significantly lower the price of drugs in the United States, he met with Finance ranking Democrat Ron Wyden (OR), Senate HELP Committee Chair Lamar Alexander (R-TN), and ranking Democrat Patty Murray (WA) to discuss next steps and how to work with House Democrats over the August recess. After the Congressional recess ends, Grassley hopes to combine the drug pricing bills in the Senate Finance and HELP Committees.

To read a press release about Senator Grassley and Senator Wyden's bipartisan legislation, [CLICK HERE](#).

Canada Reacts to U.S. Import Plan After Meeting with Stakeholders

On August 12, Canadian Health Minister Petipas Taylor held a roundtable with healthcare stakeholders to create a plan on how to respond to the United States Department of Health and Human Services (HHS) plan to import drugs from Canada. After the Safe Importation Action Plan was introduced, stakeholders from across the Canadian healthcare industry expressed concern over access and the sustainability of pharmaceutical supplies in Canada if importation was allowed. While no formal response has been unveiled by the Canadian government, there is widespread speculation that it could ban exports of drugs to the U.S.

Even as Canada considers limiting or preventing the export of pharmaceuticals to the U.S., four U.S. states have passed laws that would permit imports of drugs from Canada: Vermont, Colorado, Maine, and Florida. On August 23, Florida took one step closer towards importation

when Governor Ron DeSantis announced the Agency for Health Care Administration (AHCA) officially submitted its concept paper to HHS for Florida's Canadian Prescription Drug Importation Program. HHS would need to approve the program before the plan could go into effect.

To read HHS' Safe Importation Action Plan, [CLICK HERE](#).

To read a press release about Florida's proposal to import drugs from Canada, [CLICK HERE](#).

Court Consolidates Hospitals' Site Neutral Payment Lawsuits

On August 27, the U.S. District Court for the District of Columbia consolidated hospitals' lawsuits over reimbursement cuts for clinic visits at off-campus facilities after the American Hospital Association, Association of American Medical Colleges, the University of Kansas Hospital Authority, and other hospitals agreed to combine their litigation. The AHA and AAMC have requested that the court hear oral arguments in September.

Hospitals sued the Department of Health and Human Services (HHS) after the final 2019 hospital outpatient payment rule established a new payment rate for off-campus hospital outpatient clinic visits that is equivalent to what those visits would be paid under Medicare's physician fee schedule (PFS). CMS plans to phase-in the payment reduction over a two-year period, and maintained this policy in its proposed 2020 hospital outpatient rule. After completion of the two-year phase-in in 2020, patient cost sharing for a clinic visit would be reduced from \$23 to \$9.

Prior to the lawsuit consolidation, Centers for Medicare & Medicaid Services (CMS) Administrator Seema Verma defended the rule to reporters, saying that the site neutral payment policy and 340B policy that are being challenged are intended to help increase competition and combat hospital consolidation of physician offices.

To read Administrator Verma's remarks on the Administration's efforts to combat provider consolidation, [CLICK HERE](#).

Surprise Billing Debate Wages On

The debate over how to address surprise medical bills continues while Members of Congress are back in their districts during August. Insurers, providers, and hospitals all say they want to end the practice in which patients receive unexpected and expensive out-of-network medical bills, but they are divided on who should shoulder the cost. Insurers prefer proposals that set a benchmark rate cap for out-of-network treatment, while hospitals and providers prefer an independent arbitration option.

The Senate HELP and House Energy & Commerce committee passed surprise-billing legislation in July, and the House Ways & Means and Education & Labor Committees are expected to take up the issue after Congress returns in September.

On August 12, the RAND Corporation released a new study that found a 2017 California law (AB-72) that limits the size of bills from out-of-network physicians for care delivered in hospitals appears to be protecting patients' financial liability, but has shifted bargaining leverage in favor of insurance plans and had potential unintended consequences such as encouraging more consolidation among physician practice groups. The findings were published online by the *American Journal of Managed Care*.

To read the RAND report, “Influence of Out-of-Network Payment Standards on Insurer–Provider Bargaining: California’s Experience,” [CLICK HERE](#).

Radiopharmaceutical Payment Equity Act Introduced in House

In July, Representatives Scott Peters (D-CA), George Holding (R-NC), and Bobby Rush (D-IL) introduced the Medicare Diagnostic Radiopharmaceutical Payment Equity Act of 2019 (H.R. 3772) which aims to expand patient access to diagnostic radiopharmaceuticals. Currently, diagnostic radiopharmaceuticals – used to diagnose conditions such as prostate cancer, Alzheimer’s and Parkinson’s – are reimbursed as supplies by Medicare and bundled with the cost of the procedure which leads to them being undervalued. H.R. 3772 seeks to address this issue by recognizing diagnostic radiopharmaceuticals as drugs and reimbursing them as such under the Outpatient Prospective Payment System (OPPS).

The bipartisan legislation’s introduction was commended by a number of stakeholders, including the Medical Imaging & Technology Alliance, the Council on Radionuclides and Radiopharmaceuticals, and the Society of Nuclear Medicine & Molecular Imaging.

To read the text of the bill, [CLICK HERE](#).