

Health Care Policy Update

Health Care Policy Weekly Update and Outlook

Government Regulations

Congress Agrees on Slimmed Down Healthcare Package

On March 3, House and Senate leaders announced details on a skinny healthcare package to be attached to a government funding bill this week. The healthcare provisions include mitigating Medicare physician payment cuts effective March 9 by 1.68%. This will mitigate the 3.4% reduction to the Medicare physician conversion factor that took effect on January 1. Incentive payment for physicians participating in an advanced payment model will also be extended by 1 year in 2026 at a lower 1.88% bonus (vs. 5% in 2024, and 3.5% in 2025). The Medicare physician work geographic index floor will extend through December 31. The bill also delays Medicaid DSH cuts to hospitals (\$8 billion per year) until January 1, 2025. Community Health Center funding is extended through December 31, 2024, with a 10% increase to \$4.27 billion. The bill also extends Medicare low-volume hospital payments and Medicare dependent hospital program through December 31, 2024. Other healthcare provisions in the bill include expanded access to mental health care and substance use treatment, extends the state option to provide Medicaid coverage for individuals in IMD, increases funding for the National Health Services Corps and Teaching Health Center program, and prohibit Medicaid coverage termination due to incarceration. We also note that the package did not include any site neutral payment cuts for hospitals, PBM reforms, or transparency provisions that were included in the House "Lower Costs, More Transparency Act."

White House EO to Protect Genomic and Personal Data

On February 28, President Biden issued an Executive Order to prevent access to sensitive personal data by countries of concern (including China). The effort would protect American's genomic data, biometric data, personal health data, and other data. The EO directs government agencies (DOJ, HHS, Defense Department) to issue regulations to protect data and "ensure that federal grants, contracts, and awards are not used to facilitate access to Americans' sensitive health data by countries of concern, including via companies located in the United States." This EO follows the introduction of the Biosecure Act in Congress that would prohibit government contracting with specific Chinese related companies. The Senate version of the Biosecure Act will be marked up in the Senate Homeland Security Committee on March 6, and the House Select Committee on China will hold a hearing on March 7 on the topic as well.

Federal Judge Rejects Challenge to Drug Pricing Reforms

On March 1, US District Judge Colm Connolly ruled in favor of the Biden Administration and denied AstraZeneca's challenges to the Inflation Reduction Act drug pricing reforms. Overall, the Judge agreed with the government that the Medicare program is voluntary, and the company could choose to not sell its drugs in the Medicare program. The Judge stated, "The IRA simply establishes maximum prices the Government will pay for selected drugs. These prices are lower than the prices CMS has been paying for the selected drugs. The whole point of the Program is to lower the prices of selected drugs that lack generic competition and account for a disproportionate share of Medicare's expenses." We note, however, that there are still 8 other lawsuits pending on the IRA drug pricing reforms. Meanwhile, CMS continues to implement drug pricing reforms.

04 March 2024

High Yield Credit
United States
Washington Healthcare

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Abbreviations

CMS: Centers for Medicare and Medicaid Services

HHS: Health and Human Services Department

DOJ: Department of Justice

IMD: Institutes of Mental Disease

CR: Continuing Resolution

EO: Executive Order

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Health Care Policy Events for the Week

Monday (March 4)

- President Biden to hold a “listening session” on PBM reforms.
- National Institutes of Health meeting of the National Cancer Institute (NCI) with remarks from Monica Bertagnolli, NIH director

Tuesday (March 5)

- FTC to host a workshop on Private Equity in Health Care
- The Information Technology and Innovation Foundation (ITIF) briefing on “Preserving U.S. Leadership in Biopharmaceutical Innovation.”
- FDA meeting on “Vaccines and Related Biological Products Advisory Committee”

Wednesday (March 6)

- House Oversight Subcommittee on the Coronavirus Pandemic “Examining the White House’s Role in Pandemic Preparedness and Response”
- Senate Homeland Security and Governmental Affairs Committee markup, including legislation to limit contracting with certain biotechnology providers.
- Select Coronavirus Pandemic Subcommittee hearing on “Examining the White House’s Role in Pandemic Preparedness and Response.”
- Senate Budget Committee hearing on “How Primary Care Improves Health Care Efficiency.”
- Business Council for International Understanding (BCIU) briefing on priorities for the HHS Administration for Children and Families.
- The Hill briefing on “Prescribing PBM (Pharmacy Benefit Manager) Reform: Accelerating Transparency with Bipartisan Action.”
- Academy Health webinar on “A New Blueprint – Establishing a Research Agenda for Equitable, High-Value Care.”
- IQVIA webinar on “Keeping Pace with RWE: What Do Regulators, Payers, and Patients Want?” (March 6-7)
- America’s Health Insurance Plans (AHIP) briefing on “Your Compliance Roadmap for the CMS Prior Authorization Rule.”

Thursday (March 7)

- President Biden to deliver the State of the Union Address
- Senate HELP Committee hearing on "The Older Americans Act: Supporting Efforts to Meet the Needs of Seniors."
- House Select Committee on Strategic Competition Between the US and the Chinese Communist Party hearing on "Growing Stakes: The Bioeconomy and American National Security."
- FDA CBER Webinar on "Considerations for the Development of CAR T Cell Products"
- Medicare Payment Advisory Commission (MedPAC) March Meetings (March 7-8)
- Medicaid and CHIP Payment and Access Commission (MACPAC) March Meetings (March 7-8)
- IQVIA webinar on "Paths Forward for MedTech during the GLP-1 Era"

Friday (March 8)

- Medicare Payment Advisory Commission (MedPAC) March Meetings (March 7-8)
- Medicaid and CHIP Payment and Access Commission (MACPAC) March Meetings (March 7-8)



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