



ML Strategies Update

Jeremy Rabinovitz, JRabinovitz@mlstrategies.com
Joseph P. Hammang, PhD, JPHammang@mlstrategies.com
Alexander Hecht, AHecht@mlstrategies.com
Andrew Shin, AJShin@mlstrategies.com
Abby Matousek, AMatousek@mlstrategies.com

ML Strategies, LLC
701 Pennsylvania Avenue, N.W.
Washington, DC 20004 USA
202 434 7300
202 434 7400 fax
www.mlstrategies.com

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Health Care Update

Obama Administration Ramps up Efforts to Reduce Medicaid Spending: This morning, the Centers for Medicare & Medicaid Services (CMS) [announced](#) up to \$100 million in new funding for a new technical assistance initiative called the “Medicaid Innovation Accelerator Program” (IAP). The IAP was developed, in part, to assist states that have thus far been unable to build the capabilities to implement various delivery/payment reforms. States that could benefit from this initiative could include those who were unable to participate in the testing phase of the [State Innovation Models initiative](#) launched two years ago.

The IAP will develop resources to support innovation through four key functions: 1) identifying new models of care delivery and payment; 2) leveraging data analytics; 3) improving and aligning quality measurement; and 4) advancing effective learning and dissemination strategies. The IAP’s focus areas were developed with input from states, including the National Governor’s Health Care Sustainability Task Force, and surveys of states participating in the State Innovation Models initiative. Because the IAP is not a formal grant program, CMS is not anticipating limiting the number of states who will be able to take advantage of the technical assistance tools; however, prioritization of resources will be determined by input from states and other health care stakeholders.

Senators Press Gilead on Sovaldi: On July 11th, Senate Finance Committee Chairman Ron Wyden (D-OR) and Finance Committee Member Chuck Grassley (R-IA) sent a bipartisan [letter](#) to Gilead, seeking information on the price justification for its hepatitis C drug, Sovaldi. The lawmakers asked Gilead to disclose details about how the company reached the \$84,000 treatment cost. Specifically, the letter states that “it is unclear how Gilead set the price for Sovaldi” and that the “price appears to be higher than expected given the costs of development, production and the steep discounts offered in other countries.”

While the lawmakers have indicated they have no plans for further Committee action—such as a hearing—the bipartisan nature of the request, and Chairman Wyden’s longstanding role as a watchdog on pharmaceutical pricing, has many stakeholders on alert for increasing interest on behalf of policymakers. Previously, House Energy and Commerce Democrats Representatives Henry Waxman (D-CA) and Diana DeGette (D-CO) have [requested](#) the Committee and the Oversight Subcommittee hold hearings into Sovaldi and the price of the drug. As the debate in Congress over Sovaldi continues, ML Strategies has [noted](#) in [previous alerts](#) that the controversial pricing will likely continue to drive broader discussion on costs in the health care system and the role of Medicaid.

Implementation of the Affordable Care Act

HHS Provides Primary Care Training Funding: Secretary Burwell [announced](#) that the Department of Health and Human Services (HHS) will provide \$83.4 million in Affordable Care Act (ACA) funding to support primary care residency programs in 60 Teaching Health Centers. The Teaching Health Center Program, created by the ACA, expands residency training in community-based settings.

\$100 Million Available for Primary Care Access: Secretary Burwell [announced](#) that there is \$100 million in ACA funds to support approximately 150 new health center sites across the U.S. These sites are intended to increase access to comprehensive, affordable, high quality primary health care services.

HHS Creates Quiz for Special Enrollment: Healthcare.gov now includes a new [quiz](#) to remind and test individuals to see if they qualify for enrolling in coverage outside of the official group signup period.

Other Federal Regulatory Initiatives

White House Releases 2014 Drug Strategy: The White House released the [2014 National Drug Control Strategy](#), outlining a plan to focus on public education to prevent drug abuse, increase treatment, and reform the criminal justice system's treatment of drug offenses.

HHS Launches Health IT Hypertension Project: As part of an [effort](#) to increase the use of health IT and EHRs to combat high blood pressure, HHS [challenged](#) health professionals and caregivers to submit the tools and practices they use to the agency.

ONC Releases EHR Certification Updates: The Office of the National Coordinator for Health IT (ONC) [released](#) June updates to its 2014 Edition Test Method, which provides guidelines for the testing and certification of health records. Additions include automated numerator recording, data portability, and automated measure calculation.

CMS Updated Meaningful Use Data: According to new [data](#) from the CMS Office of eHealth Standards and Services, 972 physicians and 10 hospitals have attested to Stage 2 of the meaningful use program.

New Round of Health Innovation Awards: Secretary Burwell [announced](#) new potential awardees as part of the Health Care Innovation Awards—an initiative to test innovative care models. The prospective awards, which could total as much as \$360 million to 39 recipients, center around care coordination and telehealth, emergency care, child care, and other areas.

DOJ and HHS Call For Action on Elder Abuse: The Department of Justice (DOJ) and HHS have jointly published the [Elder Justice Roadmap](#), a framework for tackling the highest priority challenges to elder abuse prevention and prosecution.

CMS Presses States on Medicaid Backlogs: The Centers for Medicare and Medicaid Services (CMS) sent letters to California, Michigan, Tennessee, Missouri, Kansas, and Alaska advising them that they have until July 14th to submit plans to address enrollment problems that have impacted millions' ability to get coverage.

FDA Tweeting Guidance: The Food and Drug Administration (FDA) hosted a social media [guidance](#) webinar to instruct industry on how to use social media to engage with consumers and health professionals.

Other Congressional and State Initiatives

House Oversight Examines Improper Payments: The House Oversight and Government Reform Subcommittee on Government Operations held a [hearing](#) featuring testimony from Shantanu Agrawal, head of CMS's Center for Program Integrity, on improper payments made by the government last year.

House E&C Studies Clinical Trials: The House Energy and Commerce Subcommittee on Health—as part of the 21st Century Cures Initiative—held a [hearing](#) on modernizing clinical trials. Witness recommendations included, expanding the use of EHRs, increasing the integration of biomarkers and genomics, creating and improving clinical trial networks, consortia, and disease registries, engaging patients as collaborators and quantitative data partners, creating master protocols for trials, and expanding FDA accelerated approvals.

House E&C Committee Report Highlights 21st Century Cures Initiative: Chairman Upton (R-MI) released the House Energy and Commerce Committee Mid-Session [Review](#), which included mention of the Health Subcommittee's hearings on the ACA and the 21st Century Cures initiative.

Senate Approps Hearing on Supplemental Funding: HHS Secretary Burwell [testified](#) before the Senate Appropriations Committee on the President's \$3.7 billion supplemental funding request to address the influx of unaccompanied minors crossing the border. Secretary Burwell told lawmakers that the funding would also address children's health care, wellness, and mental health.

House E&C Hearing on Patient Perspectives: As part of their 21st Century Cures Initiative, the House Energy and Commerce Health Subcommittee held a [hearing](#) to examine how to incorporate the perspective of patients in the discovery, development and delivery of treatments and cures. Among the witnesses, FDA Director Janet Woodcock discussed FDA activities intended to promote pharmaceutical innovation.

Lawmakers Seek Answers on Anthrax: House Energy and Commerce Republicans [wrote](#) to the Centers for Disease Control (CDC) and HHS Inspector General officials seeking details on the anthrax scare at CDC headquarters in Atlanta.

Other Health Care News

VHA's Use of Data has Positives and Negatives: A [report](#) in *Health Affairs* details how advanced analysis is supporting the Veterans Health Administration's (VHA) activities as well as leading to challenges.

Report Estimates Uninsured Rate: An Urban Institute Health Reform Monitoring [Survey](#) has found that between September and early-June close to 8 million older adults gained health coverage for the first time, dropping the uninsured rate below 14 percent.

Report on Health IT Procurement: The Institute for Healthcare Improvement offered a [framework](#) that patients, providers, and payers can use to scan for health technology innovations that will provide the greatest value to health systems working to improve patient experience while reducing costs.

Blue Cross Spending on Value Programs: In 2012, BlueCross Blue Shield spent one in five dollars on value-based programs such as accountable care organizations, medical homes, pay-for-performance, and bundled payments. A [fact sheet](#) shows that moving toward this value care yielded savings of \$500 million in 2012.

Upcoming Hearings and Markups

Senate

On July 15th, the Senate Finance Committee will hold a [hearing](#) titled, "Chronic Illness: Addressing Patients' Unmet Needs."

On July 15th, the Senate Judiciary Committee will hold a [hearing](#) to consider S.1696, The Women's Health Protection Act: Removing Barriers to Constitutionally Protected Reproductive Rights.

On July 16th, the Senate Veterans' Affairs Committee will hold a [hearing](#) to consider the state of VA health care.

On July 17th, the Senate Health, Education, Labor, and Pensions Subcommittee on Primary Health and Aging will hold a [hearing](#) titled, "More Than 1,000 Preventable Deaths a Day Is Too Many: The Need to Improve Patient Safety."

House

On July 14th and 15th, the House Energy and Commerce Committee will meet to [mark up](#) a series of public health and economic bills.

On July 16th, the House Energy and Commerce Subcommittee on Oversight and Investigations will hold a [hearing](#) to review the CDC anthrax lab incident.

On July 16th, the House Energy and Commerce Subcommittee on Health will hold a hearing titled, "Failure to Verify: Concerns Regarding PPACA's Eligibility System."

On July 17th, the House Energy and Commerce Subcommittee on Communications and Technology and Subcommittee on Health will hold a joint [hearing](#) titled, "21st Century Technology for 21st Century Cures."

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