



## ML Strategies Update

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## Health Care Update

**Policymakers Continue Bi-partisan Push to Accelerate ACO Evolution:** Although Accountable Care Organizations (ACOs) represent the most aggressive configuration of new delivery models following passage of the Affordable Care Act (ACA), policymakers and industry stakeholders alike are focusing on near-term changes that could help salvage/increase ACO participation and improvement.

On September 16<sup>th</sup>, the Centers for Medicare and Medicaid Services (CMS) [announced key shared savings and losses data](#) from both the standard Medicare Shared Savings Program (MSSP) and more advanced Pioneer ACO initiative (Pioneer) with relatively mixed results. ACO participants expressed serious concern about continued participation in the MSSP program depending on whether CMS will offer flexibility around two-sided risk sharing requirement in their second contract term, beginning after 2015.

Coupled with a shrinking group of Pioneer ACOs down to 19 total participants as of last week (32 initial participants), the urgency to give providers more incentives (or even penalties) to participate in the ACOs program(s) has become more urgent as policymakers continue their focus on reducing health care costs. Obama Administration officials have recently granted Pioneer ACOs the ability to waive certain Medicare rules such as the “3-day SNF rule” and are contemplating other payment and rule changes such as inclusion of drugs and devices in target costs in [a RFI released at the end of 2013](#).

Other experts such as the [Medicare Payment Advisory Commission](#) (MedPAC), the independent Congressional advisory body for Medicare policy, have urged CMS to consider changes to beneficiary attribution and further regulatory relief for ACOs accepting two-sided risk.

Just last week, a pair of House members introduced a bipartisan bill [H.R. 5558 called the ACO Improvement Act](#), that would give ACOs more incentive tools to keep patients in their attribution pool, while still allowing for patient flexibility and choice of provider. The legislation, written by Representatives Diane Black (R-TN) and Peter Welch (D-VT), would also emphasize telehealth and remote patient monitoring services as available resources for qualifying ACOs.

### Implementation of the Affordable Care Act

**GAO Report on ACA Finances:** The Government Accountability Office (GAO) released a [report](#) examining the resources that the Center for Consumer Information and Insurance Oversight (CCIIO) and other CMS offices used and expect to use in implementing the private health insurance provisions of the ACA.

**HHS OIG Audit of Healthcare.gov:** The Department of Health and Human Services (HHS) Office of the Inspector General (OIG) released a [report](#) outlining the results of a test-hack audit of Healthcare.gov. The audit finds that CMS “generally protected personal information but could improve some security changes to minimize vulnerabilities.”

**Number of Insurers on Marketplace Rises:** HHS [announced](#) that the number of issuers on the 2015 Health Insurance Marketplace will increase by 25 percent, or a total of 77 new issuers. Secretary Sylvia Burwell said that this development will yield more choices for consumers.

**Uncompensated Care Costs Dropping:** HHS [announced](#) a report that it anticipates hospitals will save \$5.7 billion this year in uncompensated care costs because of the ACA. The report also estimates that states that have expanded Medicaid seeing about 74 percent of the total savings nationally compared to states that have not expanded Medicaid.

**HHS Chronic Disease Grants:** HHS [announced](#) \$212 million in grant awards to support programs geared to preventing chronic conditions such as heart disease, stroke and diabetes. The grants, funded in part by the ACA, will go to strengthen state and local programs aimed at fighting chronic disease.

### Other Federal Regulatory Initiatives

**White House Hosts Global Health Summit:** Representatives from 44 countries convened at the White House for the fourth [Global Health Security Agenda Summit](#). The fourth summit this year focused on the Ebola outbreak, among other things.

**HHS Announces Mental Health Grants:** HHS [announced](#) an additional \$99 million in funding to train new mental health providers, help teachers and others recognize mental health issues in youth and connect them to help, and increase access to mental health services for young people.

**FTC on Reference Pricing:** The Federal Trade Commission (FTC) posted a blog post on reference pricing, a benefit design in which providers cap the maximum amount they would pay for a service as a means of encouraging consumers to price compare. The FTC warns that this process “does not and can not create provider competition or change a provider’s market power.”

**SAMHSA Suicide Prevention App:** The Substance Abuse and Mental Health Services Administration (SAMHSA) [announced](#) the creation of a new app to help “providers integrate suicide prevention strategies into their practice and reduce suicide risk among their patients.”

**FDA Turns to Medical Device Security:** The FDA is hosting a two-day [workshop](#) titled entitled “Collaborative Approaches for Medical Device and Healthcare Cybersecurity.” The goal of the workshop will be to solicit input from the health care community about the cybersecurity of medical devices. The announcement comes as the FDA Center for Devices and Radiological Health signed a [memorandum of understanding](#) with the National Health Information Sharing & Analysis Center on information exchange and cybersecurity.

**HHS OIG on Couponing:** The HHS OIG [released](#) a report and a bulletin titled “Manufacturer Safeguards May Not Prevent Copayment Coupon Use for Part D Drugs.” The report finds that pharma “manufacturers’ current safeguards may not prevent all copayment coupons from being used for drugs paid for by Part D.”

**FCC Reviewing Healthcare Fund:** The Federal Communications Commission (FCC) is [soliciting](#) feedback on how to improve the Healthcare Connect Fund, which offers \$400 million a year to rural health providers to deploy broadband.

**White House Guidance on Biologic Research:** The White House released new [governmental policy](#) for the “institutional oversight of life science dual use research of concern.” The policy increases oversight of federal research that could inadvertently yield bioweapons and shifts responsibility for monitoring potentially dangerous activity from the funding agency to scientists.

### Other Congressional Initiatives

**End-of-Life Panning As A Medicare Benefit:** In a [letter](#) signed by 34 House Democrats, lawmakers urged CMS Administrator Tavenner to adopt CPT codes in the Medicare Physician Payment Schedule that reimburse Medicare providers for end-of-life conversations with patients.

**Cures Initiative Seeks Feedback:** The House Energy and Commerce Committee [highlighted](#) the latest developments in the 21<sup>st</sup> Century Cures Initiative, and solicited additional feedback via [cures@mail.house.gov](mailto:cures@mail.house.gov).

**McConnell Calls for Lung Cancer Screens:** In a [letter](#) to CMS Administrator Tavenner, Minority Leader McConnell urged the agency to review to determine whether “low-dose computerized tomography (CT) scans should be covered by Medicare for patients at high-risk for developing lung cancer.”

**Bill to Raise NIH Sequestration Cap:** Representatives Rosa DeLauro (D-CT) and Brian Higgins (D-NY) released a [bill](#) that would raise the cap on National Institutes of Health funding that was put in place under sequestration.

### Other Health Care News

**NC Revising Telemed Rules:** The North Carolina Medical Board [revised](#) its policy toward telemedicine, including updating in person requirements and treatment of controlled substances. The Board is soliciting comments into November.

**Report on Telehealth Policy:** The Center for Connected Health Policy released a [report](#) on the role of telemedicine in delivering better care at lower costs. The report includes policy recommendations for deployment of telehealth.

### Upcoming Congressional Hearings and Markups

*The Senate and House and in Recess.*

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