



H&K Health Dose: June 13, 2023

A weekly dose of healthcare policy news

LEGISLATIVE UPDATES

This Week: House and Senate Hold Hearings on HHS' Priorities and Healthcare-Related Bills

The U.S. House of Representatives and U.S. Senate are both in session. There are several hearings and markups across the House and Senate. The House Committee on Education and the Workforce will mark up a telehealth bill, and the U.S. Department of Health and Human Services (HHS) Secretary Xavier Becerra will testify in front of the committee on the HHS' priorities. Separately, the House Committee on Energy and Commerce will hold hearings related to public health preparedness and another hearing on rare diseases. The Senate Committee on Health, Education, Labor and Pensions (HELP) will hold a markup on several healthcare-related bills.

House Ways and Means Committee Advances Telehealth Legislation

The House Committee on Ways and Means advanced legislation, the [Telehealth Expansion Act, H.R. 1843](#), on June 7, 2023, that would permit high-deductible health plans to cover telehealth services before enrollees meet their deductible. Current statute allows these plans to cover telehealth pre-deductible through the end of 2024. Lawmakers argued that making this COVID-19-era flexibility permanent will save money and improve and expand access to care, especially for individuals in rural areas of the country.

Senate Finance Committee Holds Consolidation Hearing

The Senate Committee on Finance held a [hearing](#), "Consolidation and Corporate Ownership in Health Care: Trends and Impacts on Access, Quality, and Costs," on June 8, 2023. Specifically, the committee examined financial incentives that are leading to increased corporatization in America's healthcare system. The hearing touched on a number of issues Congress has been consistently focused on such as innovative payment models, pharmacy benefit managers (PBM) reform, physician payments and hospital outpatient department cuts. Notably, Sen. Maggie Hassan (D-N.H.) announced that she, along with Sens. John Kennedy (R-La.) and Mike Braun (R-Ind.), introduced the [Site-Based Invoicing and Transparency Enhancement \(SITE\) Act](#), which would end exceptions to the 2015 Bipartisan Budget Act's site-neutral payment requirements for hospital outpatient departments.

CDC in the House's Hot Seat

Last week, House Committee on Energy and Commerce's Subcommittee on Oversight and Investigations held a [hearing](#), "Looking Back Before Moving Forward: Assessing CDC's Failures in Fulfilling its Mission." The hearing centered around ways to reform the Centers for Disease Control and Prevention (CDC) and increase transparency. Republicans consistently criticized the agency's handling of the COVID-19 pandemic and protested the expansion of CDC's authorities and capabilities. Members indicated that Congress should take a more active role in the reorganization and restructuring of the CDC. This comes after outgoing CDC Director Rochelle Walensky announced an overhaul of the agency earlier in the year.

Additionally, on June 13, 2023, Walensky [testified](#) before the GOP-led Select Subcommittee on the Coronavirus Pandemic about the agency's handling of COVID-19. The Oversight Subcommittee examined the CDC's policies and decisions during the pandemic, and Republicans on the subcommittee focused on the CDC's communication with the public during the pandemic and process for issuing school reopening guidance.



Conversely, Democrats used this as an opportunity to advocate for allocating appropriate resources to the agency to improve its emergency response systems.

These hearings revealed an overarching agreement that changes to the CDC are needed. However, substantive debate regarding what those changes should be came up short as conversations during the hearings deteriorated into political spars regarding the handling of the pandemic.

Bicameral Request for Information of Drug Shortages Released

House Committee on Energy and Commerce Chair Cathy McMorris Rodgers (R-Wash.) and Senate Committee on Finance Ranking Member Mike Crapo (R-Idaho) recently [announced a bicameral request for information \(RFI\)](#) regarding the increase in drug shortages to inform the committee's work examining the drivers of life-threatening medication shortages. Both committees are pursuing potential policy solutions to bolster patient access and shore up critical drug supply chains. The RFI comes after the Energy and Commerce Committee's Subcommittee on Oversight and Investigations held a hearing on examining the root causes of drug shortages back in May 2023. Responses to the RFI are due by July 7, 2023.

House Appropriations Committee Resumes Markups After Delays

The House Committee on Appropriations is poised to take up the Agriculture, Rural Development, and Food and Drug Administration spending bill this week after Appropriations Committee Chair Kay Granger (R-Texas) postponed markups due to the debt limit negotiations. The [full committee markup](#) will take place on June 14, 2023. The bill provides \$6.6 billion in funding for fiscal year (FY) 2024. Notably, the bill does not include a rider preventing pharmaceutical prescriptions to be shared electronically. The rider has been included in the U.S. Food and Drug Administration (FDA) funding bill since 2015.

REGULATORY UPDATES

CMS Launches New Primary Care Model

On June 8, 2023, the Centers for Medicare & Medicaid Services (CMS) [announced](#) a new primary care model, the [Making Care Primary \(MCP\) Model](#), which will be tested in eight states (Colorado, Massachusetts, Minnesota, New Jersey, New Mexico, New York, North Carolina and Washington) to reduce disparities in care and improve patient experience and outcomes by leveraging partnerships among primary care and specialists and community-based services. CMS will partner with state Medicaid agencies in the eight states to engage in full care transformation across payers. The MCP care delivery approach includes three domains:

- **Care Management:** participants will build their care management and chronic condition self-management support services, placing an emphasis on managing chronic diseases such as diabetes and hypertension, and reducing unnecessary emergency department (ED) use and total cost of care
- **Care Integration:** in alignment with CMS' Specialty Integration Strategy, participants will strengthen their connections with specialty care clinicians while using evidence-based behavioral health screening and evaluation to improve patient care and coordination
- **Community Connection:** participants will identify and address health-related social needs (HRSNs) and connect patients to community supports and services

Primary care organizations within participating states may apply when the application opens in late summer 2023. The model will launch on July 1, 2024. Additional details are available on the [CMS website](#).



FDA Addresses Chemotherapy Shortage

In response to a national shortage of a crucial chemotherapy drug, the FDA has collaborated with two pharmaceutical companies to temporarily import the drug. The FDA assures the public that it is conducting a thorough assessment of the overseas product to ensure its quality and safety for U.S. patients. To provide detailed information, the agency has issued a "Dear Health Care Provider" letter and updated its drug shortage database. Additional details are available on the [FDA website](#).

CMS Holds Health Equity Conference

CMS hosted its inaugural [Health Equity Conference](#) on June 7-8, 2023. The theme of the conference was "Framing the Future of Equitable Health Care." Leaders throughout CMS provided updates on health equity research, discussed promising practices and innovative solutions, and highlighted the value of collaboration across the agency and with the broader community. The conference also provided a platform for community partners to discuss multiple programs that incorporate equity-focused initiatives.

CMS Releases New List of Drugs Subject to Inflationary Rebate

CMS released information on June 9, 2023, on Part B drugs subject to the inflationary rebate under the Inflation Reduction Act (IRA). Notably, the IRA established the Medicare Prescription Drug Inflation Rebate Program to reduce coinsurance for some people with Part B coverage and to discourage drug companies from increasing prices faster than inflation. For drugs whose prices do increase faster than the rate of inflation, the beneficiary coinsurance will be 20 percent of the inflation-adjusted payment amount, which will be less than what the beneficiary would pay in coinsurance otherwise. There are 43 prescription drugs for which Part B beneficiary coinsurances may be lower, which is up from 23 in the previous quarter. The rebates will be in effect between July 1 and Sept. 30, 2023. CMS indicated that some Medicare beneficiaries who take these drugs may save between \$1 and \$449 per average dose starting July 1, 2023, depending on their individual coverage. CMS' normal procedure is to release the average sales price (ASP) public files several weeks before the quarter of which they will go into effect so the public can review and notify CMS of any potential discrepancies. The files may need to be corrected or updated based on feedback received after the files are published. CMS' [full list](#) and [fact sheet](#) are available to view online.

HHS Announces Pediatric Specialty Loan Repayment Program

HHS announced on June 9, 2023, a \$15 million loan repayment program that aims to support recruitment and retention of pediatric clinicians. In exchange for three years of service working in a health professional shortage area (HPSA), medically underserved area (MUA) or providing care to a medically underserved population, the Pediatric Specialty Loan Repayment Program provides up to \$100,000 to eligible pediatric clinicians. Specifically, the following disciplines are eligible to apply for loan repayment: pediatric medical subspecialty, pediatric surgical specialty, or child and adolescent behavioral healthcare, including substance use prevention and treatment services. Clinicians must submit applications by July 20, 2023. More information on this announcement can be found [online](#).