



Policy Brief

January 25, 2019



William Barr for Attorney General—What Could This Mean for Health Policy?

Last Tuesday, [William Barr testified](#) in front of the Judiciary Committee on his nominations to be the next U.S. Attorney General. In his [opening statement](#), Barr committed to staying independent, yet he also made clear that he aligns with President Trump on many issues. [Barr traditionally](#) has held very conservative views in health policy, which could influence the Department of Justice and decisions pertaining the Affordable Care Act (ACA). Below are more details about his stances on health care policy.

During [questioning](#), William Barr stated that he would be open to reconsidering the Department of Justice's (DOJ) stance on defending the ACA. In June 2018, the DOJ declined to defend the constitutionality of the ACA, leaving its defense to a group of 17 Democratic-led states. If the policy were reversed, then the legal attacks on the law, such as the [Texas judge ruling](#), could be much harder to make. Barr also stated that despite his past opposition to Roe v. Wade, he recognized the established precedent of the law and supported defending the [Freedom of Access to Clinic Entrances Act](#).

Additionally, Barr [revealed his stance](#) on gun violence by calling for improvements to be made that would help detect people with mental illness and restrict their access to guns. While he made no other reference for stronger gun laws, it could possibly be an avenue for a greater focus on mental health in the future.



The Government Shutdown Continues

At 35 days and counting, the partial government shutdown is the longest on record in American history. The shutdown is headed for its sixth week and a resolution is so far looking grim. As mentioned in our previous [Policy Brief](#), this has some important health care implications. Continue reading for an update on the government shutdown.

Recipients of SNAP benefits (also known as food stamps) received an early allotment of their February benefits on January 21st. They will not receive any additional allotments during the month of February. The Department of Agriculture has not indicated whether it will divvy benefits in March if the shutdown continues.

The Department of Housing and Urban Development (HUD) has been [unable to renew contracts](#) with landlords who have tenants covered by federal rent assistance programs during the shutdown. HUD sent letters asking landlords [not to evict tenants](#) during this time. In addition, the Indian Health Services remains suspended and today marks the second full paycheck that affected federal employees will miss.

Last week, the Food and Drug Administration (FDA) resumed inspections of high-risk foods including cheese, dairy products and some fresh produce. The action was the result of hundreds of furloughed inspectors who [agreed to come back to work](#) despite not getting paid until the government reopens.

The Department of Homeland Security (DHS) [authorized 300 employees](#) from the E-Verify office to come back to work with pay. The Agency authorized the reinstatement of the workers under a temporary classification that falls within the essential category.



New Payment Models Highlight Telehealth, Drug Prices and More

Last Friday, the Center for Medicare and Medicaid Innovation (CMMI) announced two voluntary Medicare Advantage (MA) payment models. The first of these MA models is completely new, while the other is a broad expansion of an existing one. In the [press release](#), Alex Azar said that the goal of these models is to not only fight rising costs, but to explore “new ways to meet the unique health care needs of specific populations[...].” Below is more information on each of CMS’ newly-announced models, as well as additional ones that we might see in the future.

Part D Payment Modernization

This model aims to shrink drug spending within Medicare Part D by changing the [financial risk allocation](#) for Part D’s catastrophic phase. Currently, Medicare pays 80% of drug costs in this phase, Part D insurers cover 15% and patients are responsible for the remaining 5%. In the new model, CMS sets a target benchmark for drug spending and shifts more of the risk from Medicare to Part D insurers. Plans would share the savings if the patient’s spending is below CMS’ target but be responsible for spending that exceeds it. This model will begin being tested in January of 2020.

Value-Based Insurance Design 2.0

The [Value-Based Insurance Design](#) (VBID) model tries to incentivize enrollee consumption of high-value health care services through cost sharing and other design elements. In VBID 2.0, CMMI will now allow telehealth visits to replace [some in-person care](#) for qualifying MA plans. This update also expands coverage to include hospice, lets plans customize benefits based on social determinants of health and increases the allowed value of individual incentives. The expansion will roll out across plan years 2020 and 2021.

Coming Soon?

Earlier this month, health wonks released a [list of potential models](#) gleaned from CMS insiders. Themes included primary care and emergency triage, treatment and transport. While this list has not been officially confirmed, VBID 2.0 was named as a potential model—which obviously made the final cut.



A Look at the Federal Register

The partial government shutdown has halted the release of pending regulations on the Federal Register. AHPA will still submit comments for the opportunities that were posted previously as the due dates have not changed.

ACA Benefit and Payment Parameters for 2020: The Trump Administration has scheduled the release of a proposal relating to prescription drug costs, eligibility and enrollment standards on the Insurance Exchanges, and changes to insurance payment formulas. While the proposal is scheduled to be released on the Federal Register by Friday, January 25th, we are unsure how the partial government shutdown will impact its release date. **Comments will be due February 19th.**

AHPA Resources



Modernizing Medicare Reduce Drug Prices Expenses

[Modernizing Medicare Part D Rule Summary](#)

Reducing Regulatory Burden of Health IT and EHRs

[Link to Full Strategy Document](#)

[Strategies and Recommendations Comment Table](#)

IN OTHER NEWS

[OpEd: Donald Trump Did Something Right](#) – The New York Times

[Judge Blocks Trump Effort to Roll Back Birth Control Mandate Nationwide](#) – Washington Post

[MedPAC Recommends Consolidating Medicare Quality Programs](#) – Modern Healthcare

[UnitedHealth's Medicare Advantage Growth a Good Sign for Rivals, Too](#) – Forbes

[Walmart will Leave the CVS Pharmacy Network](#) - Bloomberg