



## Policy Brief

September 21, 2018

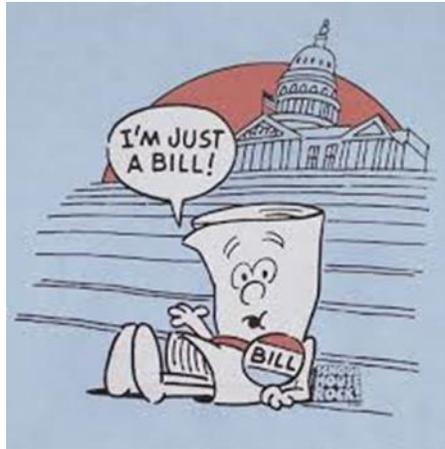


### Value-Based Care Back on the Hill

Value-based care delivery continues to be a priority for both health systems and the Trump Administration. On September 13<sup>th</sup>, the House Subcommittee on Health held a hearing on coordinated care delivery, underscoring the Administration’s desire to accelerate the shift to value-based care. The Subcommittee explored ways to expand current value-based models and increase their use, focusing on the reduction of regulations that may inadvertently prevent care coordination. Dr. Nishant Anand of Adventist Health System was invited to serve as a witness. Read more for highlights from the hearing or [click here](#) to watch the video.

The Subcommittee recognized the efficacy of value-based care models and called them “essential to modernizing American health care.” Lawmakers repeatedly queried the panel on ways to incentivize independent physician participation and reduce barriers for rural communities. Other top areas of interest included understanding how regulatory barriers can limit care innovation and encouraging data sharing while protecting patient privacy. Recommendations included:

- Modernizing Stark Law and associated fraud-prevention regulations to allow for creative Alternative Payment Models.
- Improving data sharing, especially claims-related data, to facilitate care coordination across delivery settings.
- Aligning payment incentives in ACOs and other value-based models with proven valuable care.
- Increasing or maintaining the duration of the risk-bearing schedule in the Medicare Shared Savings Program, as ACOs’ efficiency [increases with time](#).



### **Still Just a Bill: Legislation that is on the Move in Congress**

August has been a busy month for Congress. Both chambers have been working to pass a myriad of legislation before the November election. What health care bills could be a law some day? Read below to find out.

#### **ACE Kids Act**

The [ACE Kids Act](#), which would improve how care is delivered to children with medically complex conditions, was passed by the House Energy and Commerce Committee and is poised to move to the House floor for a vote.

#### **Spending Resolution**

The House is expected to vote next week on a House-Senate [compromise bill](#) to fund the departments of HHS, Defense and Education. This funding package increases HHS funding by 2.3 billion, increases state grants targeting the opioid crisis by \$1.5 billion and increases funding for the Substance Abuse and Mental Health Services Administration by \$584 million. In a report accompanying the appropriations bill, the House and Senate Conference Committee urged the Trump Administration to finalize a website that posts information on 340B drug ceiling prices.

#### **Opioid Legislation**

The Senate passed the [Opioid Crisis Response Act of 2018 \(OCRA\)](#) with a 99-1 vote. The Senate version does *not* include [two major provisions](#) contained in the House opioids bill. Once a compromise is agreed upon, that version would need to be approved by both chambers before becoming law.

## Graduate Medical Funding

The Senate approved [H.R. 5385](#) by unanimous consent. The House passed the legislation back in July. This bill reauthorizes the Children's Hospitals Graduate Medical Education Program (CHGME) through 2023 at \$325 million a year, a \$10 million increase over last year. The bill was signed by the President earlier this week.



## Apple Continues Efforts to Enter Health Care

Last week, tech companies took a significant step towards engaging in health care. The new [Apple Watch Series 4](#) is the first over-the-counter wearable health-monitoring device to receive FDA clearance to be a class II medical device for taking electrocardiograms (ECGs). This follows Apple's [health record project](#) that has signed nearly 80 hospitals and health systems to share patient data. Despite these advances, challenges surrounding data sharing and interoperability are slowing the move towards a more consumer-centric health care environment. Below is more about how consumers and government are driving the integration of tech in health care and the questions that still must be resolved before health care can achieve connected care.

Previous attempts by tech giants to enter into health care have been largely unsuccessful due to issues such as limited data sharing and [slow uptake from physicians](#). However, there is continued interest from policy makers and consumers to make health care more consumer centric and increase the availability of health information through the use of technology. CMS has implemented [MyHealthEData and Blue Button 2.0](#) to encourage data sharing and the integration of apps in health care. Patients are also [increasingly seeking technology alternatives](#) that support their active lifestyles and health management.

There are still large questions that technology companies must answer moving forward. The Apple watch has the potential to give physicians real time information but *how* this will be done is still unclear. For example, how will technology companies securely share health data without overwhelming physicians in information? How will the information be part of the patient record and accessed through different Electronic Health records? As we move towards a more consumer-centric health environment, we would

likely see more tech giants engage in health care. This may accelerate efforts to achieve interoperability and improve patient access to health data.

### 340B Update

The 340B program continues to be under fire from policy makers, but several hospitals have come together to file lawsuits against changes that are restricting the program. Two lawsuits currently remain. The first is a [refiled lawsuit](#) in against the 28.5% payment cut for 340B drugs that was recently dismissed by an appellate court. The second is a [new lawsuit](#) filed against HHS over the failure to impose final regulations that penalize drug manufacturers for overcharging hospitals for 340B drugs. The plaintiffs want the judge to order the implementation of this rule that has been delayed five times.



### A Look at The Federal Register

#### **Apprehension, Processing, Care, and Custody of Alien Minors and Unaccompanied Alien Children.**

The Department of Homeland Security and HHS have [proposed a rule](#) to eliminate the Flores Settlement Agreement (FSA). The FSA sets a 20-day cap on length of time a minor can be detained in an immigration detention center. Eliminating the FSA would allow Immigration and Customs Enforcement (ICE) to detain family units together during immigration proceedings. **Comments are due November 6, 2018.**

**Surgeon General's Call to Action on Community Health and Prosperity.** The Centers for Disease Control and Prevention (CDC) is [seeking comments](#) to demonstrate the business case for private sector investments in community health. The comments will be used to formulate a conceptual framework to encourage multi-sector investment on community health. **Comments are due November 5, 2018.**

**Using Social Media for Recruitment in Cancer Prevention and Control Survey-Based Research (SMFR).** The CDC is [seeking feedback](#) on the SMFR project, which will use social media platforms to

ask survey questions previously administered through more official channels, like NHIS and others. The surveys will recruit participants from three groups: the general population, cancer survivors and those at high risk for cancer. **Comments are due November 19, 2018.**

**Regulatory Provisions to Promote Program Efficiency, Transparency, and Burden Reduction.** CMS has proposed a [rule](#) to remove unnecessary, obsolete or burdensome Medicare compliance requirements. The proposals simplify Medicare's Conditions of Participation, conditions for coverage and other requirements for participation for facilities. **Comments will be due 60 days after the date of publication in the Federal Register.**

## AHPA Resources



On September 24<sup>th</sup>, at 1:30 p.m. EST, AHPA is hosting a webinar on the final FY 2019 Inpatient Prospective Payment System rule. **To register, [click here](#).**

### **OPPS CY 2019 Proposed Rule**

[Outpatient Prospective Payment System Comment Table](#)

### **IPPS FY 2019 Final Rule**

[Inpatient Prospective Payment System Comment Table](#)

## IN OTHER NEWS

[What To Do About the High Cost of Pharmaceuticals?](#) – Loma Linda Policy Institute

[Gottlieb Proposed Payment Incentives to Spur Development of AMR Therapies](#) – AJMC

[Judge Hears Oral Arguments in Texas v. United States](#) – Health Affairs

[New Coalition Aims to Improve US Medical Diagnoses Quality](#) – Medical Devices Verdict

[MACPAC Alarmed As Thousands Are Dropped From Medicaid in Arkansas](#) – New York Times

[Senator Proposes Curb on Balanced Billing](#) – Modern Health Care