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# Princeton Conference XXVI 2019

*Washington Update*

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*Thomas R. Barker, Partner*

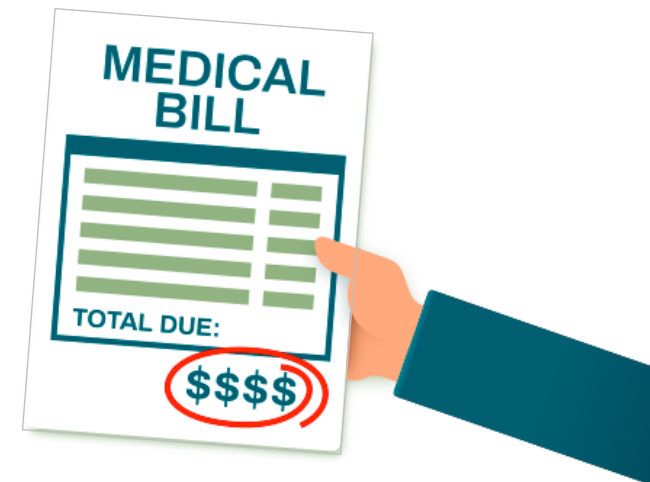
- Drug Pricing
- Surprise medical billing
- Transparency
- Hospital reimbursement issues: IPPS and OPPS
- Medicaid



- This is the number one health care priority of the Administration and may represent a rare area of bipartisan agreement between the Administration and Democratic leadership in the House.
  
- The Administration’s “blueprint,” released in May, 2018, advanced a series of policy priorities that are moving through the regulatory process.
  - Requiring price disclosure in pharmaceutical DTC ads
  - International pricing index
  - Redesigning the rebate mechanism in Part D
  - Reforms to Part D benefit design



- This is an issue that has generated significant press attention and on which the President and Secretary Azar have personally weighed in at a White House event on May 9.
- Congressional Committees have held hearings; legislative proposals, mostly bipartisan, are being released.
- Broad areas of agreement:
  - Patients should be held harmless
  - Requires a federal solution (States cannot regulate ERISA plans)
- But significant differences remain
  - Is federal rate-setting (e.g., default to Medicare rates) an option?
  - Is binding arbitration a workable approach?
  - Any solution has the potential to tilt bargaining power either to providers or insurers.



- A little-known request for comments appeared in the health IT certification rule proposed by HHS on March 4.
- In that RFI, HHS asks a series of questions that presuppose greater transparency into “charge master price, negotiated prices, pricing based on CPT codes or DRGs, bundled prices, and price to payer.”
- The reference to “negotiated prices” has generated significant controversy and press attention.
- HHS has not proposed or finalized any policies other than the request for information. Comments were due on the rule on May 3.
- Administration likely to go further once comments are assessed (OPPS and ERISA).



- CMS is continuing its annual rulemaking process (IPPS, OPPTS, home health PPS, SNF PPS, dialysis PPS, etc.)
- Some of the major issues addressed in these rules for 2020 will be:
  - Wage index policy changes (redistribution and ending perceived abuses);
  - Finding appropriate reimbursement policies for CAR-T and other gene or cell therapies;
  - 340B, in light of the *AHA v. Azar* litigation.



- Administration likely to continue to be aggressive in granting Medicaid waivers
  - Work requirements
  - Partial ACA Medicaid expansion
  
- Development of payment alternatives for high-cost curative therapies
  
- DSH caps (legislative)



- Expect significant regulatory policy changes out of HHS in 2019.
- It is \*possible\* that there can be a bipartisan health care package that is driven by a desire to address high prescription drug costs (and possibly DSH caps) but that is by no means a certainty.
- ACA is a “sleeper” issue depending on the outcome of the 5<sup>th</sup> Circuit’s decision in *Texas v. United States*.
- CMS continues to be active in granting Medicaid waivers.