

HEALTH AND MEDICINE COUNSEL OF WASHINGTON

507 CAPITOL COURT, N.E., SUITE 200, WASHINGTON, D.C. 20002 (202) 544-7499 FAX (202) 546-7105

DALE P. DIRKS, President
HARLEY M. DIRKS, Founder

LODRIGUEZ V. MURRAY, Senior Vice President
DANE R. CHRISTIANSEN, Vice President

Movement is Life **SPRING 2015 LEGISLATIVE/POLICY UPDATE**

The 1st session of the 114th Congress has been active as the Republican-controlled House and Senate move through an aggressive legislative agenda, which includes a number of budget, health, and medical-related items.

FISCAL YEAR 2016 BUDGET AND APPROPRIATIONS

House and Senate appropriations panels have begun to move forward with issuing subcommittee allocations and marking up individual appropriations bills. Popular bills with more generous allocations, such as Veterans and Defense have advanced, while those bills with less-generous allocations, including Labor-Health and Human Services-Education (LHHS) and Interior/Environment, are still waiting for consideration.

The House allocation for the LHHS bill, which funds many public health agencies like the National Institutes of Health (NIH) and the Centers for Disease Control and Prevention (CDC) as well as the Department of Education, is so dramatically reduced from its fiscal year 2015 amount that it is unclear how or if a bill will be considered by the House. Most likely there will be a June/July subcommittee mark-up of a draft bill that will serve as a placeholder until action by the Senate late in the summer—followed by an end-game scenario that provides a funding boost for the LHHS bill that allows for a final, streamlined version in an omnibus/CR-type measure.

The Interior/Environment appropriations bill faces a similar outlook to the LHHS bill. The House allocation is notably low. Further, it is an annual target for controversial environmental riders, which slow down its consideration and cause great consternation on both sides of the aisle and at both ends of the Capital. The end-game for Interior/Environment may ultimately mirror that of LHHS.

We will continue to keep you informed on individual appropriations bills as they move (or don't move) through the process.

MEDICARE PHYSICIAN REIMBURSEMENT FORMULA RESOLVED

In a strong bipartisan effort, Congress finally adopted a long-term solution to the Medicare Sustainable Growth Rate (SGR) physician reimbursement formula. The SGR formula has been in place for more than a decade and has required an annual legislative adjustment (the doc fix) to prevent drastic reductions in Medicare payments for physician services.

Beyond the tangible impact on physician compensation, the specter of uncertainty created by the annual doc fix saga left many Medicare beneficiaries suffering from complex and chronic conditions wondering if they would have access to their doctor.

Under the new legislation, physician reimbursement rates will increase modestly on an annual basis from 2015 through 2019. In 2020 and beyond, physicians will be subject to a Merit-Based Payment Incentive System (MIPS) which is designed to maintain patient access and improve health care quality.

COMPREHENSIVE 21ST CENTURY CURES ACT PASSED BY HOUSE COMMITTEE

The House Energy and Commerce Committee cleared its version of the *21st Century Cures* (Cures) legislation by a bipartisan vote of 51-0. This comprehensive effort spearheaded by committee Chairman Fred Upton (R-MI) and Congresswoman Diana DeGette (D-CO) is designed to, “help to modernize and personalize health care, encourage greater innovation, support research, and streamline the system to deliver better, faster cures to more patients.” A lengthy summary of the bill is attached and should be reviewed because there are many far-reaching provisions.

Most of the NIH research provisions are focused on advancing what is learned from basic and translational research and facilitating the development of improved treatments for patients. Key NIH initiatives from the bill include:

- A reauthorization of the statutory authority for NIH for three years.
- Establishment of a \$10 billion (\$2 billion a year for five years) NIH Innovation Fund that can be spent on innovative basic, translational, and clinical research projects focused on accelerating cures. (*See important note below*)
- Establishment of a number of accountability measures including five year renewable appointments for NIH institute and center directors.
- Mandates to advance the initiation of certain pediatric research network activities.
- An effort to create, improve, or build upon existing training programs with a focus on treatments.
- A streamlining of grant processes and reduced administrative burdens.

One major change in the committee-reported bill is that it no longer requires the \$2 billion annual mandatory Innovation Fund for NIH to be allocated only above and beyond a certain identified budget level (for example the current amount). This fundamental change would allow Congress the option to provide less discretionary spending for NIH and use the \$2 billion to replace what is taken away in discretionary spending. The way the bill is currently written, NIH could end up with the same amount of funding or less than it has now, yet still be required to fulfill the new and added responsibilities required by the Cures legislation.

The provisions impacting FDA are primarily aimed at streamlining the regulatory process so promising therapies and treatments can receive expedited review and consideration. Key FDA provisions:

- Improve and expand the Patient-Focused Drug Development Initiative.
- Focus on the development of biomarkers with input from public-private partnerships.
- Make law and rule changes to facilitate streamlined clinical trial requirements, efficient review of promising new therapies, and repurposing existing therapies.
- Encourage antibiotic drug development with a new initiative.
- Extend orphan products provisions and incentives for rare disease as well as products for limited populations.
- Give priority review for breakthrough devices, including expanded humanitarian device exemptions.

Health care delivery provisions include:

- An improvement in the interoperability of health information technology.
- An enhancement for telehealth services.
- A reduction in barriers to physician CME participation and burdensome regulations.

Additional items in the bill of specific interest to MiL include:

Title I – Discovery

Subtitle G – Facilitating Collaborative Research

Section 1123. Data on Natural History of Diseases: The section would establish a public-private partnership to establish or enhance and support an information technology system, including staffing, to collect, maintain, analyze, and interpret data on the natural history of diseases, with a particular focus on rare diseases.

Subtitle H – Council for 21st Century Cures

Section 1141. Council for 21st Century Cures: This section would establish a public-private partnership in the United States to accelerate the discovery, development, and delivery of innovative cures, treatments, and preventive measures for patients.

Title III- Delivery

Subtitle C – Encouraging Continuing Medical Education for Physicians

Section 3041 – Exemption from Manufacturer Transparency Reporting Certain Transfers Used for Education Purposes: This section would exempt certain transfers of value to physicians from reporting requirements that have hindered physician participation in important continuing medical education activities.

The bill is an important effort that has the potential to accelerate the advancement of improved treatments and cures for patients. There are some challenges with the bill that was reported by the House Energy and Commerce Committee. Science, patient, and health advocates hope the language can be improved either by the House or in the Senate so this innovative and exciting legislative concept can move forward with the resources it needs to be meaningful and effective.

The effort to pass this legislation will likely take the entire 114th Congress. We are monitoring it closely and providing input.

SUPREME COURT DECISION PENDING RE: KING V. BURWELL

Healthcare advocates and congressional leaders are presently awaiting the Supreme Court's decision in the case of King v. Burwell, which is expected to be released by the end of June. At issue is whether currently-available subsidies designed to assist low-income individuals and families with purchasing insurance apply in the context of state insurance exchanges which were set up and are operated by the federal government.

If the Supreme Court rolls back the subsidies, many Americans will lose access to health coverage and, as a result, significant disruption is expected in the nation's health care system. While light on details, congressional leaders have stated they have a plan to rectify this potential situation through legislative action and have expressed a strong interest in ensuring their constituents continue to have access to quality, affordable healthcare.

QUARTERLY ACTIVITIES UPDATE

Legislative Priorities:

1. Annual Advocacy Day & Congressional Briefing

- Planning a September 22nd briefing with Congressional Black Caucus Health Braintrust Chair, Representative Robin Kelly on the topic of healthcare workforce diversity programs in the broader context of eliminating health disparities
- Speakers at the briefing will address the need for increased diversity in the health professions workforce to an audience comprised of congressional staff, federal agency and department officials, and the greater health disparities community. Current speakers include:
 - Dr. Mary O'Connor, MiL Co-Chair
Director, Musculoskeletal Center at Yale School of Medicine and Yale-New Haven Hospital
 - Dr. Deborah Washington, Co-Chair, Diversity Workforce, AARP Center to Champion Nursing
Director of Diversity, Massachusetts General Hospital
- Visits will be arranged for key steering committee members to meet with staff on House and Senate health subcommittees and the congressional tri-caucus membership

2. Support Legislation & Efforts Increasing Diversity in the Healthcare Workforce

- *Health Equity & Accountability Act (HEAA)*
 - HMCW has recently been appointed to lead several titles of the bill and will continue to propose language in line with the policy goals of Movement is Life, which address arthritis/musculoskeletal health disparities.
 - In January 2016, Representative Kelly, who has been designated by the Congressional Tri-Caucus as the introducing co-sponsor in the 114th Congress, will be reintroducing the HEAA legislation
 - The HEAA working group community, made up of many organizations with an invested interest in health disparities, will be meeting regularly to discuss, draft, and revise the HEAA bill prior to its introduction next Spring
 - During congressional visits, the importance of supporting and signing onto HEAA as a co-sponsor will be emphasized
- **Rep. Johnson's FY 16 Health Disparities Letter:** urges for support for funding programs that address ethnic and racial health disparities as well as improve the distribution of health professionals to the most underserved areas. The letter specifically describes the AHEC program as one that helps with the distribution of a diverse healthcare workforce to rural and underserved areas and asks for a funding of \$35 million in FY16. **70 total signatures**
- **Burgess-DeGette FY 16 Title VII House Letter:** urges for support for HRSA's Title VII programs at \$280 million. The letter reinforces that all the Title VII programs work together to support healthcare workforce development and education with a focus on primary care and training in interdisciplinary, community-based settings. The letter goes on to say Title VII programs are the only federal programs designed to fill in the gaps in the supply of health professionals that respond to underserved populations and increase minority representation in the health workforce. **83 total signatures, bi-partisan support with 6 Republicans**
- **Sen. Jack Reed's FY 16 Title VII Senate letter:** urges for support for HRSA's Title VII programs at \$280 million. The letter reinforces that in a time when the nation is facing healthcare workforce shortages, these programs are working to increase the supply of primary care professionals, expanding access to care

in rural and urban underserved areas, and developing a workforce that reflects the nation's diversity. **29 total signatures, bi-partisan support**

3. Healthcare Disparities Related Events/Materials

- **National Minority Health Awareness Month**

As we celebrate National Minority Health Month in April, we are pleased to announce this year's theme, "30 Years of Advancing Health Equity; The Heckler Report: A Force for Ending Health Disparities in America," in commemoration of the 30th anniversary of the *Report of the Secretary's Task Force on Black and Minority Health* (also known as the *Heckler Report*). This theme reflects our collective efforts to accelerate momentum towards achieving a nation free of disparities in health and health care and the ways in which the *Heckler Report* has served as a driving force for the monumental changes in research, policies, programs and legislation to advance health equity.

In January 1984, when then U.S. Department of Health and Human Services Secretary Margaret M. Heckler released the annual report of the nation's health, *Health, United States 1983*, she noted that while the health and longevity of all Americans continued to improve, there were significant disparities between non-Hispanic whites and racial and ethnic minorities in the U.S. Secretary Heckler subsequently established the Task Force on Black and Minority Health, representing the first time the U.S. government convened a group of experts to conduct a comprehensive study of the health status of minorities. The Task Force's findings were released in 1985 as the landmark *Heckler Report*, which documented the extent of health disparities among racial and ethnic minorities and elevated minority health onto a national stage.

This milestone anniversary serves as a paramount opportunity to highlight national, state, tribal, territorial and local efforts towards eliminating health disparities and advancing health equity legislation, policy and programs such as the Affordable Care Act, the HHS Action Plan to Reduce Racial and Ethnic Health Disparities and the National Partnership for Action to End Health Disparities. The HHS Office of Minority Health (OMH) will lead the observance of National Minority Health Month and in collaboration with partners across the country, will spearhead a year-long commemoration of the *Heckler Report*, including a launch event in April and various activities throughout the year.

Throughout the year OMH – in conjunction with our partners – will raise a clarion call for all Americans to take action towards ending health disparities in their community. HMCW will be engaged with OMH on behalf of MiL through participation in their planned activities and sharing MiL's upcoming events on their national observance calendar.

- **CMS National Impact Assessment: Chapter 7 – CMS Measure on Health Disparities**

The Centers for Medicare & Medicaid Services (CMS) collects and reports hundreds of measures to assess the quality of care across hospital, ambulatory, and post-acute care settings as well as across CMS measurement programs. This research quantifies the improvement in quality of care as represented by CMS quality measures, details the differences in performance on quality measures by provider characteristics, describes disparities in measure rates between patient demographic groups, and tests for changes in identified disparities over time.

The results suggest that the CMS quality measurement programs are associated with improvements in care across all programs and demographic groups. More process measures improved during the study period than outcome measures, and 75 percent of process measures were either classified as high performing or substantially improving. While CMS is phasing out process measures and moving toward developing additional outcome measures, retaining process measures will provide timely information on the progress of quality improvement efforts. Although disparities in measure rates are diminishing, they continue to

persist across programs, settings, and demographic groups. Strategies to eliminate disparities should include explicit monitoring of measure rates of racial and ethnic groups as well as uniform collection of racial/ethnicity data across all measurement programs.

- **Agency for Healthcare Research and Quality (AHRQ) National Healthcare Disparities Report: Access to Health Care Improving Among all Racial and Ethnic Groups Following Affordable Care Act; Additional Work Remains**

Insurance rates improved substantially after individuals were able to obtain coverage through provisions of the Affordable Care Act, and the gains in access to care were greater among black and Hispanic adults than whites, according to the *2014 National Quality and Disparities Report* released today by HHS' Agency for Healthcare Research and Quality (AHRQ).

This annual report on the nation's health care includes a section on measures of access to care that for the first time cover a period after implementation of the Affordable Care Act's Health Insurance Marketplaces. Data covering January to June 2014 show that the overall rate of "uninsurance" – a measure of access to care – decreased substantially to 15.6 percent in the second quarter of 2014 among those age 18 to 64 (from a high of 22.3 percent in 2010). Because the data run through June 2014, they capture enrollment gains only from the first open enrollment period in the Health Insurance Marketplaces. The second open enrollment period began on November 15, 2014, and is not captured in the report.

- **Patient Centered Outcomes Research Institute (PCORI)**

PCORI awards funding for research and other programmatic initiatives in several ways. Their primary research funding is awarded through PCORI Funding Announcements (PFAs), broad calls for projects under their five National Priorities for Research and Research Agenda as well as "targeted" announcements on specific high-priority topics, and special one-time funding opportunities. They also offer the Eugene Washington PCORI Engagement Awards and Pipeline to Proposal awards; these are not research awards but are designed to better integrate patients and other stakeholders into the research process.

The following are links to abstracts for some of the community-based projects that were funded in PCORI's most recent round of Tier I Pipeline to Proposal Awards

[Path to Identifying Effective Treatments for Hmong Adults Suffering from Gout and Gout Related Co-morbidities](#)

[Community and Stakeholder Perspectives on Aging-in-Place](#)

[Effective Communication among Newcomer Patients with Diabetes Mellitus, Their Families, and Healthcare Providers/Systems about Diabetes Care](#)

[Improving Outcomes for Children with Mental Health Challenges and Their Families through Parent-to-Parent Peer Support](#)

[Partnership Development of West Nile Virus Survivors, their Caregivers, and Researchers](#)

Applicant Training Archive of Materials/Resources

PCORI is committed to "research done differently." Their funding [applications](#) and review process include [criteria](#) that may be new to researchers, patients, and other stakeholders. Their training materials are designed to assist applicants throughout the process. PCORI collects feedback to improve their training materials. Email pfa@pcori.org or visit <http://www.pcori.org/funding-opportunities/applicant-training>

PREPARED BY:

DALE DIRKS, PRIYANKA SURIO, AND LODRIGUEZ MURRAY
HEALTH AND MEDICINE COUNSEL OF WASHINGTON
507 CAPITOL COURT, NE, SUITE 200
WASHINGTON, DC 20002

