

POLITICO

Seniors saved \$11.5 billion on prescription drugs since 2010 — GAO: States relying on other funds to finance Medicaid

By Natalie Villacorta

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FOR SENIORS, \$11.5 BILLION IN DRUG SAVINGS SINCE 2010 — HHS announced today that 8.2 million Medicare beneficiaries have saved an average of \$1,407 on prescription drugs through donut-hole discounts and rebates since the ACA's enactment in 2010. The data follow the release Monday of the annual Medicare trustees' report, which found that the program's main trust fund should have enough cash to cover its needs until 2030 — four years longer than was previously expected. A new HHS report finds that per capita, Medicare spending growth averaged 2 percent over 2009-2012 and barely grew at all in 2013. The Pro story on the trustees' report: <http://politico.pro/1AqSccE>

— The “center-right” American Action Forum did a deep dive into the trustees' data, and it says Medicare shouldn't be celebrating. AAF points out that Medicare's cash shortfall in 2013 was \$289 billion, and making up that shortfall would “prove devastating to seniors,” requiring such actions as increasing payroll taxes 21 percent. More: <http://bit.ly/1l7SXhc>

Welcome to PULSE, where I'm happy to report that the Silver Line seemed to be functioning much better than I was on a Monday morning. AC blasting and no tourists clogging up the escalators. What more could a gal want? <http://bit.ly/1uBUANq>

“And I was your silver lining, as the PULSE goes. I was your silver lining, but now I'm gold.”

EARLY LOOK AT GAO REPORT — Katherine Iritani, the GAO's director of health care, will testify today before a House oversight subcommittee that states are increasingly relying on funds from health care providers and local governments to finance Medicaid. This effectively shifts costs from the state to the federal government, according to GAO's work in three states. It found that states' reliance on funds from providers and local governments increased by over 21 percent from 2008 through 2012, largely attributable to revenue from taxes on providers. The findings suggest a need for better data for oversight over Medicaid payments, according to GAO. Cindy Mann of CMS and John Haag of the HHS Office of the Inspector General will also testify before the House Oversight and Government Reform Subcommittee on Energy Policy, Health Care and Entitlements. The hearing starts at 10 a.m.

MEDICAID ENROLLMENT HALFWAY TO 2016 PROJECTIONS — States enrolled 6.7 million new people in Medicaid and CHIP through the end of May, according to a report released Monday by the Robert Wood Johnson Foundation. That figure represents 52 percent of the projected 12.8 million new Medicaid/CHIP enrollees by 2016, up from 45 percent at the end of April. But progress varies: Medicaid expansion states have reached 60 percent of 2016 levels while non-expansion states are at 26 percent. Enrollment rates were also higher in states operating their own exchanges. The report: <http://bit.ly/WKjaNf>

VA DEAL ANNOUNCED — Sen. Bernie Sanders and Rep. Jeff Miller announced a \$17 billion agreement Monday to reform the Department of Veterans Affairs. The legislation would give the VA secretary more authority to fire or demote senior officials accused of mismanagement and would enable veterans to seek private care if VA doctors can't treat them within 14 days. The deal would allocate \$5 billion to hire new providers and remove bureaucratic barriers that slowed hiring. The POLITICO story on the deal: <http://politi.co/1ApFPO1> And how it was reached: <http://politi.co/UyjhtB>

HOUSE PASSES SUNSCREEN INNOVATION ACT — When members hit the beach during the August recess, they'll be soaking up some sun after passing the Sunscreen Innovation Act. By a voice vote Monday, the House agreed to streamline FDA's approval process for new sunscreen ingredients. It's been 15 years since the agency approved new ingredients, and several applications are pending for ingredients that have used safely overseas for years. Sens. Jack Reed (D-R.I.) and Johnny Isakson (R-Ga.) have introduced similar legislation in the Senate.

— Today, the U.S. Surgeon General's office will outline a national plan to prevent skin cancer. The "Call to Action" outlines five goals to reduce skin cancer rates nationwide and details the health and economic impacts of skin cancer on society. More: <http://1.usa.gov/1l8OrPn>

BEHIND THE CBO CURTAIN — On his blog, Director Doug Elmendorf explained a bit more about how CBO has revised health care spending projections. It's now projecting that net federal health care spending in 2039 would equal 8.0 percent of GDP, down from a forecast four years ago of 9.6 percent. The latest number reflects a mix of changes to the health law (including the Supreme Court making Medicaid optional), an updated economic outlook, and technical changes, he explained "In the case of the major health care programs, actual federal spending in recent years has been lower than we had anticipated, and analysis by CBO and others suggests that such spending will grow more slowly in the future than we projected several years ago." His post (with charts): <http://1.usa.gov/1pxhBZS>

FLORIDA MEDICAL ASSOCIATION CALLS FOR MEDICAID EXPANSION — The Florida Medical Association is no longer standing on the sidelines of the expansion debate. Several hundred members approved a resolution supporting expansion at FMA's annual conference Sunday, the Miami Herald reports. It also calls for higher payment rates to incentivize physicians to participate, anticipating that more physicians will be needed to care for an enlarged Medicaid population. The Herald story: <http://hrlld.us/1qHGh8g>

**A message from the Partnership for the Future of Medicare: Medicare is celebrating another birthday, but without moving away from our current fee-for-service model, Medicare will become insolvent by its own 65th birthday. Bi-partisan consensus exists around ways to move us from volume to value. Read more about the path forward: <http://bit.ly/YbmEYT> **

END-OF-LIFE WISHES — A survey of Americans age 50 and up found that 65 percent favored withholding payments from medical providers who do not respect "known end-

of-life wishes.” Sixty-one percent favored paying doctors for the time they spend talking to patients about advanced directives. Ninety-three percent said they would talk to family or friends about their wishes, and 84 percent said they would talk to a physician. Nearly one in four said they or a family member have experienced either “unwanted” or “excessive” medical treatment. The telephone survey of 1,007 people was done by Purple Insights for Compassion and Choices from Jan. 31 to Feb. 7. The results: <http://politico.pro/1tUyGks>

E&C DEMANDS MORE DETAILS ON LAB SAFETY LAPSES — House Energy and Commerce Committee leaders sent letters to CDC, FDA, NIH and HHS Monday requesting for more information about recent lab safety lapses. “Since part of CDC’s epidemiology work is detecting or recognizing patterns of disease outbreaks, how could CDC not recognize the pattern of select agent incidents that was recognized by the OIG in 2010?” leaders write. In the letter to NIH, the members ask for the latest on the National Science Advisory Board, which hasn’t met in two years. They’re curious about what led to the recent dismissal of 11 of the board’s 23 members. Read the letters: <http://1.usa.gov/1rwpOjA>

HERITAGE FOUNDATION LOOKS AT EROSION OF EMPLOYER COVERAGE — Because of cuts to employer-sponsored coverage, the private health insurance market grew by just 520,000 people during the first Obamacare open enrollment period, according to a new analysis by the Heritage Foundation. However, the data do not account for the final month’s surge in enrollment, which could have added 3 million to 4 million people to the individual market. Assuming that all of those individuals actually paid their premiums, Heritage pegs the upper bound for the net increase in the private market at 5 million. More: <http://herit.ag/1mW5uE7>

PHYSICIAN GROUPS EXPRESS CONCERNS ABOUT SUNSHINE ACT — The American Association of Neurological Surgeons and the Pharmaceutical Research and Manufacturers of America, along with 24 other groups, sent CMS a letter Monday expressing concerns about the release of data required this September by Physician Payments Sunshine Act. They’re worried that the data will be provided without any context for the public, and they’re asking Administrator Marilyn Tavenner to give them a preview of the release plans. They’re also concerned that many physicians don’t know about the Sunshine Act and are getting bogged down by the burdensome registration process necessary to see what’s being reported about them. They hope CMS will streamline this process and increase physician education and outreach. The letter: <http://politico.pro/1zoqIDj>

PATIENT GROUPS URGE BURWELL TO REDUCE CARE BARRIERS — Over 300 patient groups have sent HHS Secretary Sylvia Burwell a letter asking her to address problems that patients with chronic conditions are encountering as they use their Obamacare coverage. They want Burwell to enforce the ACA’s non-discrimination provisions, address high-cost sharing and insufficient provider networks, and increase plan transparency so consumers know what they’re buying. The signatories include The AIDS Institute, American Lung Association and the National Alliance on Mental Illness. The letter: <http://bit.ly/1qa7taW>

AMA DISAPPOINTED ABOUT GUN COURT RULING — The American Medical Association isn’t pleased about Friday’s court ruling upholding a 2011 Florida law that restricts doctors from advising patients about the risks of guns. “This law poses real harm to patients as it interferes with physicians’ ability to deliver safe care, and hinders patients’ access to the most relevant information available,” said AMA President Robert Wah. “In addition to putting patients in harm’s way, the Florida Privacy of Firearm Owners Act infringes on a physician’s

right to free speech and puts physicians in the untenable position of risking disciplinary consequences or abandoning ethical obligations.”

PREMIER APPLAUDS BILL ON POST-ACUTE CARE — Premier health care alliance sent a letter Monday to Senate Finance and House Ways and Means leaders expressing support of a bill requiring standardized data collection from post-acute health care providers. The Improving Medicare Post — Acute Care Transformation (IMPACT) Act of 2014 would help CMS to assess the quality and efficiency of post-acute care. This information would enable officials to determine how to amend payments to improve outcomes and increase value. Premier’s letter: <http://bit.ly/1rxlTTz>

WHAT WE’RE READING

D.C. seems to be in midst of a post-government shutdown baby boom, the Washington Post reports: <http://wapo.st/1qI7IPB>

Michael Cannon of the Cato Institute writes about Jonathan Gruber’s flip-flopping on the ACA subsidy question in POLITICO Magazine: <http://politi.co/UyKA7f>

Mindfulness treatment and life coaching for parents of children with developmental disabilities leads to reduction in stress, anxiety and depression among these adults, the New York Times reports: <http://nyti.ms/1kkcOic>

The Philadelphia International Airport is the first in the country to install stationary bikes, allowing passengers to exercise for free while they wait for their flights, also from the Times: <http://nyti.ms/1tUXb11>

Employer-sponsored health coverage is a bargain compared to government insurance programs, according to a new study from the American Health Policy Institute, writes Sally Pipes for Forbes: <http://onforb.es/1rVA8ni>

A new study finds that hormone-replacement therapy begun soon after menopause appears safe and lowers some markers of heart-disease risk while majorly freezing hot flashes, the Wall Street Journal reports: <http://on.wsj.com/1nPvw1C>

POLITICO presents Morning Money Breakfast Briefing: Join POLITICO’s Chief Economic Correspondent Ben White as he takes his daily newsletter Morning Money live interviewing Tim Massad, the chairman of U.S. Commodity Futures Trading Commission, on the intersection of Washington and Wall Street. Find out more and RSVP at politi.co/1zdixcI, or join the conversation on Twitter using #MorningMoney.

**A message from the Partnership for the Future of Medicare: For every birthday that Medicare celebrates, the program gets one year closer to bankruptcy. Transforming the system to reward value instead of volume and creating strong private-public partnerships is critical for Medicare’s future. Read more about bi-partisan solutions for sustaining Medicare so it can celebrate for generations to come: <http://bit.ly/YbmEYT> **