

McDermottPlus Check-Up

McDermott+Consulting is pleased to introduce the McDermottPlus Check-Up, your regular update on health care policy from Washington, DC.



THIS WEEK'S DIAGNOSIS: Recess usually means a light week. This one is no different.

CONGRESS

- + **PBMs WILL GET THEIR DAY...JUST A WEEK LATER.** Chairman of the Senate Finance Committee, Chuck Grassley (R-IA), announced that the pharmacy benefit managers from five large companies will testify on April 9. The hearing was originally scheduled for April 3, but was moved due to a joint address from NATO Secretary General Jens Stoltenberg on the same day. This highly anticipated hearing will be heavily scrutinized as Congress continues to grapple with legislation on lowering prescription drug costs.

ADMINISTRATION

- + **SPEAKING OF PRESCRIPTION DRUG POLICY.** The Office of Management and Budget (OMB) received the rule on drug prices in direct-to-consumer advertising from the US Department of Health and Human Services. The rule, if finalized as proposed, would require pharmaceutical companies to list the prices of their medications in direct-to-consumer advertisements. There have been mixed reactions to the Administration's transparency requirements, with this proposal being no different. There are concerns that without any context for insurance coverage, rebates or other discounts, this will not provide meaningful information for consumers. However, some companies are already taking this step or creating websites with this information. The next question is, how long will this sit at OMB? That is anyone's guess.
- + **QPP EXPERIENCE REPORT.** The Centers for Medicare and Medicaid Services (CMS) released the 2017 Quality Payment Program [Experience Report](#) and [Appendix](#), which provides an in-depth dive into the clinician reporting experience for the first performance year of the Quality Payment Program (QPP). This report expands on the information CMS shared in November 2018. The report shows that 95 percent of eligible clinicians avoided a negative payment adjustment; 93 percent earned a positive payment adjustment; and over 99,000 clinicians were Advanced Alternative Payment Model Qualifying Participants. Remember that a significant percentage of Medicare clinicians (roughly 65 percent) were exempt in 2017.
- + **IDAHO WORK REQUIREMENTS AND MEDICAID EXPANSION.** In Idaho, state legislators have advanced a bill that ties Medicaid work requirements to the state's Medicaid expansion initiative. In 2018, Idaho voters authorized Medicaid expansion, and recently the state Supreme Court upheld the voter-approved initiative for Medicaid expansion. The [Idaho work requirement bill](#) was passed out of Committee and is heading to the House floor.

Other states, such as Virginia, have included work requirements as a condition of Medicaid expansion.

- + **NEW HAMPSHIRE LATEST LEGAL BATTLE FOR WORK REQUIREMENTS** This week, New Hampshire became the third state to have several of its residents challenge the Trump Administration's approval of Medicaid work requirements. In late November 2018, CMS approved [New Hampshire's 1115 waiver](#) requiring certain populations to participate in 100 hours of work, education, volunteering or training per month as a condition of Medicaid eligibility. The New Hampshire work requirement is [scheduled to be implemented on June 1, 2019](#). As we noted [last week](#), a US district judge heard arguments over the legality of the Kentucky and Arkansas work requirement waiver.

NEXT WEEK'S DOSE

Members of Congress return for the start of a three week stretch, kicking off Appropriations season.

For more information, contact [Mara McDermott](#) or [Rachel Stauffer](#).

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