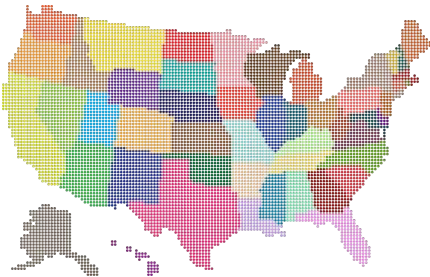




LOMA LINDA UNIVERSITY
HEALTH

Institute for Health Policy and Leadership

Healthcare News At A Glance



National

States may decide which essential health benefits must be covered by individual insurance plans under final rule

The Centers for Medicare and Medicaid Services (CMS) issued a final rule that allows states flexibility in deciding essential health benefits, modifying the medical loss ratio formula and increasing the maximum premium rate from 10 percent to 15 percent. It also expands hardship exemptions from the mandate.

New Medicare rule requires 70 percent markdown for medications for seniors who qualify for donut hole coverage gaps

Despite the intense lobbying efforts of pharmaceutical companies, lawmakers increased the prescription discounts from 50 percent to 70 percent for seniors who qualify for the coverage gap by having spent a certain amount on prescription drugs.

Senator Cory Booker's (D-NJ) tax report concludes that pharmaceutical companies are not using tax cuts to lower prices

The report highlights stock buybacks of a combined \$45 billion for five main pharmaceutical companies. The senator argues that companies are too focused on increasing their stock prices when they could be lowering prices for their consumers.

House Energy and Commerce Committee Republicans release proposal to change Medicaid limits for people requiring substance abuse treatment

The proposal does not offer exact costs or ways to pay for the cost of temporarily removing the restrictions on Medicaid payments for treatments at facilities. Critics argue that there are more cost-effective solutions.

The tariffs imposed on China could lead to increases in prescription drug costs

The 25 percent tariff on Chinese imports also applies to many of the imported ingredients used to make prescription drugs in the United States. Various associations have argued that this will inevitably lead to more expensive drugs.

"The State of US Health, 1990-2016"

The US Burden of Disease Collaborators published a study in the *Journal of the American Medical Association (JAMA)* which sought to understand how the burden of diseases and other risk factors affect life expectancy across the states and how they have changed over time.

States with the highest rates of premature death (ages 20-55):

1. West Virginia
2. Mississippi
3. Alabama
4. Oklahoma
5. Kentucky

States with the lowest rates of premature death (ages 20-55):

1. Minnesota
2. California
3. New York
4. Connecticut
5. New Jersey

There are numerous reasons for the declining life expectancies including the opioid epidemic, suicide, and alcoholism.

Advisories from the FDA Commissioner and the Surgeon General and Corresponding Reactions

Last week, Surgeon General Jerome Adams recommended that families learn to use naloxone and keep it in the house, likening it to an EpiPen. CVS responded by issuing naloxone coupons to the uninsured.

The Food and Drug Administration (FDA) commissioner, Scott Gottlieb, has asked internet providers and social media sites to take action in identifying and reporting illegal opioid exchanges. Social media sites responded by removing opioid-related hashtags and explicitly discouraging online sales of opioids in their community guidelines.

California

Los Angeles County's budget proposal includes significant allocation of funds for homeless services– The \$30.8 billion budget, to be reviewed in June, includes a 1.5 percent allocation for homeless services, affordable housing, and supportive housing.

Attorney General (AG) Xavier Becerra leads motion to intervene in Texas lawsuit against the Affordable Care Act's (ACA) individual mandate– Texas and sixteen other states filed a lawsuit against the federal government arguing that the individual mandate is no longer constitutional since the penalty is no longer a tax. Fourteen other states and the District of Columbia joined California's AG in filing a motion to intervene.

Assembly bill would allow California to set health care prices for all providers in the private market– The Health Care Price Relief Act was introduced earlier this week. The legislation would allow an independent commission to set prices for medical services based on the rates set by Medicare. Advocates of the bill believe that it would promote price transparency and cut down on waste. Critics argue that such a measure would drive away medical providers by decreasing their reimbursements. The bill was modeled after Maryland's system in which the state sets private and public prices for all hospital services.



Other States

Maryland's Governor signs bill to create reinsurance program– Reinsurance programs help stabilize the ACA exchanges by subsidizing insurers for high claims. After much controversy, the federal budget bill did not include stabilization measures. Governor Larry Hogan (R-MD) will be requesting federal waivers in order to deviate from the ACA requirements and gain federal funding. He will issue a \$380 million tax on health insurers as well. Alaska, Minnesota, and Oregon have seen reductions in premiums through their state reinsurance programs.

Officials are concerned as Michigan Governor cuts off free water bottle supply to Flint– In his statement, Governor Rick Snyder (R-MI) claimed that scientific studies proved that lead levels are no longer a threat to Flint's water system. Flint's public health adviser, among others, is concerned that there are no plans to remove the remaining lead in the schools' water supply and that two-thirds of the pipes through which the water runs have not yet been replaced. Starting in September, schoolchildren in Flint will be screened for lead exposure and assessed for its effects on their cognitive development.

More than 20,000 maltreatment reports filed against long-term care facilities in Minnesota– Senior care reform advocates created a proposal outlining actions that the state lawmakers could implement to combat elder abuse and overhaul the regulatory system in place. Minnesota's Democratic lawmakers incorporated some of the suggestions in a bill that later missed the deadline. While Republican lawmakers have introduced a bill, reform advocates argue that it does not address the main issues. Abuse allegations have increased sevenfold from 2010 to 2016.

Public health experts support lawsuit against Kentucky's Medicaid work requirements– The group believes that work requirements will disproportionately affect the most vulnerable beneficiaries as two-thirds of Medicaid beneficiaries are already employed. They issued an amicus brief stating that CMS failed to account for the potential risks and ignored a majority of comments and research provided.

