Policy Update: For Dermatologists

Art Saavedra MD/PhD/MBA
Kenneth E. Greer Endowed Chair of Dermatology
October 27, 2019

Spending, Health Reform and Physicians

[Pie chart showing spending distribution]
Agenda

- MACRA
- CMS Payment Reform
- Gag Laws and Pharmacy Benefit Managers (PBMs)
- State Issues
Which of the following is true?

- A) MACRA is likely to go away given its partisan nature
- B) Though MACRA will likely go away, MIPS will remain in effect
- C) Though MACRA will likely go away, APMs will remain in effect
- D) MACRA is not likely to go away
- E) Though MACRA will likely go away, QPPs will remain in effect

Which of the following is true?

- A) MACRA is likely to go away given its partisan nature
- B) Though MACRA will likely go away, MIPS will remain in effect
- C) Though MACRA will likely go away, APMs will remain in effect
- D) MACRA is not likely to go away (It is a bipartisan effort)
- E) Though MACRA will likely go away, QPPs will remain in effect

Senate Vote: 92-8
House Vote: 392-37
MACRA

• Medicare Access and (CHIP) Reauthorization act

• Created two pathways for payment:

  MIPS- modified fee-for-service model
  APMs- Alternative payment modules
    Physician-focused
    MIPS APMs
    Qualified medical homes
    Advanced APMs

• QPP is the Quality Payment Program
AMA/Specialty Society Relative Value Scale Update Committee (RUC)

- The RUC is an independent group of volunteer physicians exercising its First Amendment Right to petition the federal government.
- The RUC is comprised of 31 members, 28 voting members (16 of these 28 voting members are from specialties whose Medicare allowed charges are primarily derived from the provision of E/M services).
- The RUC is an expert panel. Individuals exercise their independent judgment and are not advocates for their specialty.

Proposed Rule: Effective January 2021

- 4 levels for NEW and 5 for ESTABLISHED
- No HPI or Physical examination requirements for code selection
- Level based on MDM or total time of encounter (not just face to face)
- Substantial payment shifts (dermatology is nearly even)
- 6-year gap in payment schedules
- Value of visits included in surgical package
- Global period for visits for minor procedures
Pharmacy Expense

- Prices for pharmaceuticals are rising more quickly than other health-care costs
- Market consolidation
- Elimination of drugs from marketplace
- Slower approval process for both generic and specialty pharmacy
- Skyrocketing price of medications
- Insurer tiering practices that place higher cost medication out-of-reach for many patients
- Policies force drug switching or cessation of effective practices

Advocacy on Policy Surrounding Drug Pricing

- Transparency
- Public notice before price increase greater than 10%
- Outlaw PBM to pharmacy gag clauses
- Authorize generic entry
- End DTC advertising
- Shorten Biologic Exclusivity period
- Medicare negotiation for Part D Drugs
- Oppose mergers that inhibit competition
Pharmacy Benefit Managers (PBMs)

**Situation**

- PBMs control most pharmacy services
- Potentially drive up the cost of care further
- Severe market consolidation: CVS Caremark, Express Scripts, OptumRx
- Example: In 2015, Express Scripts reported a profit of $600 million from sales exceeding $25 billion
- So-called gag laws
Legislation: Transparency Act

• You go, Virginia! HB1177 prohibits PBMs from penalizing pharmacists for sharing drug pricing information with consumers

Virginia State issues

• Physician Extenders: scope of practice
• Tort reform limits
• Step therapy/policies
• Incentivizing practice in underserved areas
• Surprise billing, balance billing
• COPN reform
Advocacy

- Join your state/professional society
- Consider joining or supporting PACs in your professional societies
- Run for office
- Financially support someone who has the time/interest
- Join a hospital committee
- Consider patient advocacy groups
advocacy