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**January 13, 2020**

### **GAO Finds Ineligible Hospitals in the 340B Program; Recommends Changes**

A new Government Accountability Office found that inadequate oversight by HRSA has led to some hospitals participating in the 340B drug discount program that were not eligible. Auditors recommended a number of ways for HRSA to increase its oversight of the program to help ensure that hospitals participating meet eligibility requirements including: ensuring the information it uses to verify non-profit status for all non-governmental hospitals is reliable; amending its contract reviews to include an assessment of whether contracts meet statutory requirements; and revising procedures to require 340B auditors to document their assessments. Click [here](#) for the full report.

### **Hospital Prices Escalating; Private and Government Payments Narrowing**

Hospital rates for services, especially for emergency department care, have escalated over the last two decades, according to a new study. And while most patients with insurance are not typically responsible for these higher prices -- because insurers typically negotiate lower rates -- those who are uninsured or out-of-network are often caught with enormous bills. It is widely reported that visits to the ER are common sources of surprise medical bills, which has been a major issue for Congress. The study also found that the gap between what private insurers and the government pay hospitals narrowed between 2012 and 2016, after drastically widening between 2000 and 2012. To view the study in Health Affairs, click [here](#).

- UnitedHealthCare announced that starting April 1, 2020, they will use a software program to evaluate all Level 5 ED claims to determine if the submitted diagnoses is justified. If it should be a lower-level code, the claim will either be automatically adjusted to the lower-level code or denied, click [here](#).
- The average cost to have a baby in the United States is now \$4,500, even with insurance, mostly due to high deductibles, click [here](#).
- The New York Times takes a look at various studies to offer advice on how to cut back waste in health care spending and ultimately lower costs to the system, click [here](#).
- Insurers and providers spent nearly \$2,500 per person in administrative costs in 2017, representing more than one-third of all U.S. health care spending, click [here](#).

### **Cancer Mortality Rate Has Biggest Drop Ever**

According to a study by the American Cancer society, the cancer death rate in the U.S. dropped 2.2 percent from 2016 to 2017, the largest single-year drop ever recorded. The drop is largely driven by progress against lung cancer, though the most rapid declines in the report occurred in melanoma as well. In addition to falling smoking rates impacting lung cancer, advances in treatment played a significant role in helping to improve survival rates in the two cancers. Despite the progress, cancer remains the second-leading cause of death in the U.S., after heart disease. And declines in colorectal, breast and prostate cancer deaths have slowed. Click [here](#) for the report.

### **U.S. News Ranks Health Care Jobs as Tops; Nurses are Most Trusted Professionals**

The latest U.S. News and World Report 100 Best Jobs in America ranks dentists, physician assistants, orthodontists, and nurse practitioners in the top five of the list this year. Additionally, the five best-paying jobs are all in health care, including anesthesiologist, surgeon, and orthodontist (all with a median salary of

\$208,000). When looking at the health care sector, dentist, physician assistant, and orthodontist were the top three jobs while pharmacist, rehabilitation counselor, and radiation therapist were toward the bottom of this list. In a survey by Gallop, 85 percent of respondents said they found nurses to be the most honest and ethical professionals in 2019 for the fourth year in a row. Conversely Members of Congress were second to last when it came to both criteria. Click [here](#) for the Top 100 list, and [here](#) for the Gallop poll.

- "Paging Dr. Google," WSJ reports on how the tech giant has struck partnerships with some of the country's largest hospital systems and most-renowned health-care providers, many of them vast in scope and few of their details previously reported, click [here](#).

### **Flu Could Be Worst in a Decade**

According to the latest reports from the Centers for Disease Control, this year's flu may be particularly bad as this year's flu vaccine may not be particularly effective against the strain of the virus now widespread in the United States - the Influenza B Virus. Typically, influenza B viruses, which is most common in children, circulate during the spring, near the end of influenza season however, in the current 2019–20 season, it is the predominant strain infecting patients. And while deaths and increase of infections has not happened yet, infections did begin earlier. By late November, the flu had hit hard in the deep South, from Texas to Georgia. Experts insist it is not too late to get a flu shot. For more from the CDC, click [here](#), and for a more in depth look, click [here](#).

### **Over 8 Million Enrolled in Plans on Healthcare.gov**

CMS released last week the final Snapshot of the 2020 Federal Health Insurance Exchange showing that from Nov. 1 through Dec. 21, there were 8,286,871 sign-ups, of which 2,086,338 were new consumers on the exchange. These numbers represent the 38 states that utilize the federal exchange, including the Federally-facilitated Exchange and some State-based Exchanges. To view the final snapshot from CMS, click [here](#).

- After 10 years of the ACA, advocates are looking at what to do next, click [here](#).
- The individual market for the ACA was "profitable and stable" over the first three quarters of 2019, despite it being the first year without an individual mandate penalty, click [here](#) for details.
- According to AHRQ's 2018 Insurance Component Chartbook, average annual healthcare premiums for single coverage in employer-sponsored plans were significantly higher than the national average in nine states: Alaska, Connecticut, District of Columbia (treated as a state in this analysis), Illinois, Massachusetts, New Hampshire, New Jersey, New York and Rhode Island, click [here](#).
- High deductible plans have led to a number of rural hospital closures, according to an analysis, click [here](#).

### **CMS Administrator Says Overhaul ACO Program Doubles Providers Taking Risk**

In a new blog post, CMS Administrator Seema Verma gave credit to the Agency's overhaul of the accountable care organization program for more than doubling the number of providers accepting the risk of penalties in an effort to control costs. At the beginning of 2019, 93 ACOs were shouldering financial risk in the program compared to 192 this month, serving 11.2 million Medicare beneficiaries, up from 10.4 million at the beginning of 2019. Verma states that CMS' "redesign of the program, known as "Pathways to Success," puts ACOs on a quicker path to taking on real risk, with accountability for spending increases generally required after two years for new ACOs." For the full blog in Health Affairs, click [here](#).

- Hospitals participating in the Medicare Bundled Payment for Care Improvement Program reduced spending for lower extremity joint replacements over three years by an average 1.6 percent with no change in quality, according to a study, click [here](#).
- CMS wants advice on how to eliminate Medicare regulations that are more stringent than state laws and limit what services certain non-physician practitioners can offer -- saying that they have already made a number of changes in the 2020 pay rules to streamline supervision, scope of practice and licensure requirements. CMS wants recommendations on ways to go further, click [here](#).

## **MACPAC Finds States Illegally Using Medicaid Funding for Mental Health and Substance Abuse**

According to a new report by the Medicaid and CHIP Payment and Access Commission, states are using Medicaid funding to pay for mental health and substance use disorder treatment at institutions for mental disease even though federal law prohibits it. The so-called "IMD exclusion" was created by Congress in 1965 to make sure that states, not the federal government, paid for inpatient psychiatric care. Under the rule, Medicaid is not allowed to pay for the treatment of adults less than 65 years of age at psychiatric residential facilities if they have more than 16 beds. But MACPAC found that states have provided mental health and SUD services by leveraging other Medicaid authorities like state innovation waivers, in-lieu-of services through managed care plans, and exclusions for people over the age of 65 or under 21. Click [here](#) for the report.

- More local and state officials are working to ensure that low-income residents stay on Medicaid when they go to jail, click [here](#).
- Nearly 8 million people have dropped off the food stamp rolls during the Trump Administration, click [here](#).

## **Pharmacy Chains Think Physicians Should Be Held Liable for Overdose Lawsuit**

In an twist, major drugstore chains - including CVS, Walgreens, Walmart and Rite Aid - filed nearly identical lawsuits asserting that northeast Ohio physicians should cover some of the costs if their companies are found liable at their federal opioid trial. The pharmacy companies, that were sued in 2018 by Ohio's Cuyahoga and Summit counties, contend that prescribers have not faced the same legal consequences for their role in fueling the opioid crisis as distributors and pharmacists. Click [here](#) for more on the lawsuits.

- New CDC data find that the rate of opioid prescriptions for people who went to emergency departments decreased by 30 percent between 2006-2017, click [here](#).
- Nearly 60 percent of rural Americans say opioid addiction is a serious problem in their communities, click [here](#).

## **Alcohol Related Deaths Increased Since 1999**

According to the National Institute on Alcohol Abuse and Alcoholism, the amount of death certificates that mentioned alcohol as playing a part in the death more than doubled from 35,914 in 1999 to 72,558 and is consistent with reports of increases in alcohol consumption and alcohol-involved emergency department visits and hospitalizations during the same period. Researchers found that in 2017, nearly half of alcohol-related deaths resulted from liver disease (31 percent) or overdoses on alcohol alone or with other drugs (18 percent) with people aged 45-74 having the highest rates of deaths. The biggest increases over time were among people age 25-34. To read more, click [here](#).

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