Appropriations - FY 2018
- Deadline - September 30, 2018
- Continuing Resolution to Dec. 7th (Lame Duck)
- Minibuses
  - Energy-Water, Legislative Branch and Military Construction-VA
  - Interior-Environment, Financial Services, Transportation-HUD and Agriculture
  - Defense and Labor-HHS-Education
- Future of Appropriations Process – 2 year cycle?
- Bring back Earmarks

340B Drug Discount Program
- ASP minus 22.5% (cut 28.5%)
- Savings must be redistributed equally to hospitals covered under OPPS.
- Divisions among Pharma, Hospitals, Community Oncologists
- Legislation: Ranges from reversing the cut to transparency of dollars
- Lawsuits (AHA)
Opioid Efforts (HR 6)
- How to address the Opioid Epidemic?
- House bill passed on June 22, 2018
- Senate bill passed the week of September 17th

Topic Areas of HR 6
- Treatment and Recovery
- Prevention
- Protecting Communities
- Fighting Fentanyl

Will it even help????????

Physician Fee Schedule – CY 2019
- Just to name a few provisions:
- Eliminates prohibition on same day visits
- E/M Documentation
  - Redundancy
  - Teaching Physician
  - Simplification
- RFIs
  - Interoperability
  - Price Transparency


Stark Self Referral
- CMS Request for Information:
  - June 25th (comments were due by August 24th)
  - 20 separate topics
- Ways and Means Health Subcommittee
  - “Modernizing Stark Law to Ensure the Successful Transition from Volume to Value in the Medicare Program”
  - Issues related to compliance and barriers
  - How should it be modified
Drug Pricing: White House Team

- Fulfilling campaign pledge to address drug prices
- To do so, needed “A” team at Department of Health & Human Services
  - Sec. Azar – former Eli Lilly President of U.S. Operations
  - Dan Best, Sr. Adv. For Drug Pricing Reform – former CVS Part D
  - John O’Brien, Advisor to the Secretary, Pharmacist and former Insurance Policy Advisor

Deep understanding of the drug pricing and supply chain
Working to implement the “low hanging fruit” first

Blueprint to Lower Drug Prices and Reduce OoP Costs

- Divided into two categories:
  - Actions President may direct HHS to take immediately
  - Actions being considered by HHS – requested feedback

- Actions divided in the following areas:
  - Increased Competition
  - Better Negotiation
  - Incentives to Lower List Prices
  - Lowering Out-of-Pocket Costs

Public’s View on How to help community

Which factor has the greatest impact on improving health care in your community?

- Lower-cost care: 51%
- Flexibility to see primary care provider: 11%
- Convenient health care facilities: 22%
- Other: 16%

Source: CVS Health
**Lower List Price (Transparency)**
- List individual Rx price on CMS Drug Dashboard
- Durbin/Grassley amendment to LHHS Appropriations: $1M to implement List Price incorporated in TV Ads
- Upcoming Rule regarding Medicare and Medicaid Drug Pricing Transparency
- Public Shaming – Pfizer (or was it?)

**Competition and Negotiation**
- Step Therapy for Part B Drugs in Medicare Advantage – Begins Jan. 1, 2019
- Working group to examine Drug Importation
- Generic Drug Approvals since Blueprint released – “record number in July”
  - 2017: over 1,000 total
  - July 2018: 126 total
- CREATES Act and May public shaming of branded drugs impeding access to samples

**Out-of-Pocket Knowledge**

Source: CVS Health
Out-of-Pocket Costs

- Revoke pharmacy “gag clauses” for Part D - supportive of more expansive
- 340B – inpatient and outpatient ---- big turf battle
- Lots of vague talk

How the Industry views Drug Distribution

How the White House views Drug Distribution
PBM’s

- Political Landscape
- White House
- Congress
- PBMs vs the World (almost)

PBMs reduced costs in Part D by $34.9B and without premiums ↑ 52% in 2018
(Oliver Wyman Consulting)

"This study further confirms that drugmakers set and raise prices unrelated to the rebates they negotiate with PBMs. Drug companies keep raising prices even when rebates go down," said PCMA President and CEO Mark Merritt. "Simply eliminating plans’ ability to negotiate price concessions would enrich drugmakers at the expense of patients, who’d not only pay higher prices but higher premiums and out-of-pocket costs too."

115th Congressional Party Breakdown

House

435

193 Democrats - 237 Republicans - 6 Vacancies
Democrats need a net gain of 22 seats to flip control of the House.

Senate

100

49 Democrats (including 2 "Independents") - 51 Republicans
Democrats need a net gain of 2 seats to flip control of the Senate

November Mid-Term Elections: House

- According to Cook Political Report, 11 Republican seats are “likely” or “lean” Democratic.
- Another 28 Republican Seats are “toss-ups”.
- Currently, only one Democratic seat is in danger of flipping Republican (Pennsylvania 14); only 2 Democratic seats are “toss-ups”.
- Nate Silver’s FiveThirtyEight gives Democrats a 82.9% chance of winning control of the House; Republicans have a 17.1% chance of retaining control.

GOP Seats Leaning Left

November Mid-Term Elections: House

Republican "Toss-Up" Seats

District Incumbent
California 10 Rep. Jeff Denham
California 25 Rep. Steve Knight
California 39 OPEN
California 45 Rep. Mimi Walters
California 48 Rep. Dana Rohrabacher
Colorado 06 Rep. Mike Coffman
Iowa 03 Rep. David Young
Illinois 06 Rep. Peter Roskam
Illinois 12 Rep. Mike Bost
Kansas 02 OPEN
Kansas 03 Rep. Kevin Yoder
Kentucky 06 Rep. Andy Barr
Maine 02 Rep. Bruce Poliquin
Michigan 08 Rep. Mike Bishop
Michigan 11 OPEN
Minnesota 02 Rep. Jason Lewis
Minnesota 03 Rep. Erik Paulsen
North Carolina 09 OPEN
New Jersey 03 Rep. Tom MacArthur
New Jersey 07 Rep. Leonard Lance
New York 19 Rep. John Faso
New York 22 Rep. Claudia Tenney
Ohio 01 Rep. Steve Chabot
Texas 07 Rep. John Culberson
Texas 32 Rep. Pete Sessions
Virginia 02 Rep. Scott Taylor
Virginia 07 Rep. David Brat
Washington 08 OPEN

Democratic "Toss-Up" Seats

District Incumbent
Minnesota 01 OPEN
Minnesota 08 OPEN

"Not listed are another 27 Republican seats that "Lean Republican" – considered competitive, but with a slight advantage for Republicans; 2 Democratic seats are "Lean Democratic."

November Mid-Term Elections: Senate

35 Senate seats are up for election in 2018 (including special elections in Minnesota and Mississippi). Of the 35 Senate seats, 26 are currently held by Democrats – including in 5 states that Trump won by double digits.

Senate: Competitive Seats

TOSU-UP/POTENTIALLY COMPETITIVE SEATS
(in order of most competitive/likely to flip)

<table>
<thead>
<tr>
<th>STATE</th>
<th>INCUMBENT TRUMP 2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>NV</td>
<td>Dean Heller</td>
</tr>
<tr>
<td></td>
<td>-2.5%</td>
</tr>
<tr>
<td>AZ</td>
<td>Jeff Flake (retiring)</td>
</tr>
<tr>
<td></td>
<td>+3.6%</td>
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<tr>
<td>MO</td>
<td>Claire McCaskill (D-MO)</td>
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<tr>
<td></td>
<td>+18.7%</td>
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<tr>
<td>IN</td>
<td>Joe Donnelly (D-IN)</td>
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<tr>
<td></td>
<td>+19.1%</td>
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<tr>
<td>ND</td>
<td>Heidi Heitkamp (D-ND)</td>
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<tr>
<td></td>
<td>+35.8%</td>
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<tr>
<td>TN</td>
<td>Bob Corker (retiring)</td>
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<tr>
<td></td>
<td>+26.0%</td>
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<tr>
<td>WV</td>
<td>Joe Manchin (D-WV)</td>
</tr>
<tr>
<td></td>
<td>+42.1%</td>
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<tr>
<td>MN</td>
<td>Tina Smith (D-MN)</td>
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<td></td>
<td>-1.5%</td>
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<tr>
<td>FL</td>
<td>Bill Nelson (D-FL)</td>
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<td>+1.2%</td>
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<td>TX</td>
<td>Ted Cruz (R-TX)</td>
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<td>+9.0%</td>
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<tr>
<td>OH</td>
<td>Sherrod Brown (D-OH)</td>
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<td>+8.1%</td>
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<tr>
<td>MT</td>
<td>Jon Tester (D-MT)</td>
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<td>+20.5%</td>
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<tr>
<td>WI</td>
<td>Tammy Baldwin (D-WI)</td>
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<tr>
<td></td>
<td>+0.7%</td>
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<tr>
<td>PA</td>
<td>Bob Casey (D-PA)</td>
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<tr>
<td></td>
<td>+0.7%</td>
</tr>
<tr>
<td>MI</td>
<td>Debbie Stabenow (D-MI)</td>
</tr>
<tr>
<td></td>
<td>+0.2%</td>
</tr>
<tr>
<td>NJ</td>
<td>Bob Menendez (D-NJ)</td>
</tr>
<tr>
<td></td>
<td>-14.1%</td>
</tr>
</tbody>
</table>
Pennsylvania’s Most Watched List

- Seven Freshman Representatives
  - New 4th District, Meehan, Costello, Dent, Barletta, Shuster, Murphy

- Other matchups – Sleepers?
  - Rep. Kelly vs. Ron DiNicola
  - Rep. Perry vs. George Scott

What is “lobbying”

- Education!!
- Substantive policy expertise
- Political insight and access
- Creative problem-solving
- Play nice
- Ethical obligations

Phases of GR

- Introduce organization to lawmakers
- Introduce organization's building relations gap
- Create policy issues important to the organization

- Introduce or existing idea, let Hill adopt it
- Maintaining relationship by providing expertise
- Participation in hearings, roundtables

- Offer substantive recommendations and line edits to proposed legislation
- Intervene on specific non-legislative issues from Members of Congress
- Regulatory or administrative input
Who do you engage?

- **Geography**
  - Nationwide membership vs. nationwide constituents
  - House districts vs. Senate

- **Committees of Jurisdiction**
  - Senate: HELP, Finance

- **Pet Issues and Passions**
  - Members of Congress with particular interests or backgrounds, e.g. Doctor’s Caucus, Veterans
  - Who has led bills on similar issues
  - Who has objected to certain efforts
  - Who works well together

3 Actions to Take to Maximize your Agenda

- **Advocate**
- **Collaborate**
- **Ideate**