



CSRO 2018 State Society Advocacy Meeting

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September 15, 2018**

2018 Economic Impact Study

- In 2018, the AMA released the third edition. Prior editions were released in 2011 and 2014. The study includes a full U.S. report, reports for all 50 states and D.C., and data by specialty.
- The EIS is only study of its kind measuring the economic impact of physicians. The study shows that physicians play a vital role in national and state economies by supporting jobs, purchasing goods and services, and generating tax revenue.
- An interactive map, full reports, and one-page summaries can be found at physicianseconomicimpact.org. The AMA has also produced a toolkit to help physician advocates incorporate the study's findings into a range of advocacy communications, including customized social media content and infographics, op-eds and customized ads are also available for each state.

2018 Economic Impact Study

- The new study quantifies the economic boost that 736,873 patient care physicians nationwide provide to the economy.
- The study measures physicians' impact using four key economic indicators:
 - **Jobs:** Physicians support 12.6 million jobs - 17.1 for each physician on average.
 - **Economic activity:** Physicians generate \$2.3 trillion in economic output, comprising 13 percent of the national economy. Each physician generates \$3.2 million on average.
 - **Wages and benefits:** Physicians contribute \$1 trillion in total wages and benefits paid to workers across the country. Each physician contributes \$1.4 million to workers' wages and benefits on average.
 - **State and local tax revenue:** Physicians' contribution to the national economy generates \$92.9 billion in state and local tax revenue for their communities—translating to \$126,129 for each physician on average—enabling community investments to be made.

2018 Economic Impact Study

- Every dollar applied to physician services supports an additional \$2.84 in other business activity.
- An additional 11 jobs, above and beyond the clinical and administrative personnel that work inside a physician practice, are supported for each one-million dollars of revenue generated by a physician's practice.
- Physicians generate more economic output, produce more jobs and pay more in wages and benefits than professionals working in higher education, nursing and community care facilities, legal services and home health.

Prescription Drug Misuse, Cost, Transparency

- The AMA Task Force to Reduce Opioid Abuse has compiled several state, federal, academic and medical specialty society educational resources to promote appropriate prescribing for pain management, reduce prescription opioid-related harm and combat drug diversion. <https://www.end-opioid-epidemic.org/>
- Model bills
 - **An Act to Increase Drug Cost Transparency and Protect Patients from Surprise Drug Cost Increases During the Plan Year**
 - **Partially Fill a Schedule II Controlled Substance**
- Visit <https://truthinrx.org/>. TruthInRx.org is an interactive site that gives consumers an opportunity to tell their stories of how rising prices are affecting their health and their pocketbooks. The site will be home to a gallery of curated videos and testimonials. It also will give supporters ways to take action, such as sending a message to Congress and sharing content within their social networks.

Pharmaceutical Benefit Managers

- This year, Arkansas enacted a law regulating PBMs. Puts PBMs under the insurance department, allowing the department to adopt rules relating to PBM practices such as rebates, market conduct, solvency, data reporting, compensation, utilization review, and networks. The new law also prevents gag clauses in pharmacists' contracts and prohibits mail-order pharmacies from being included to create adequate networks.

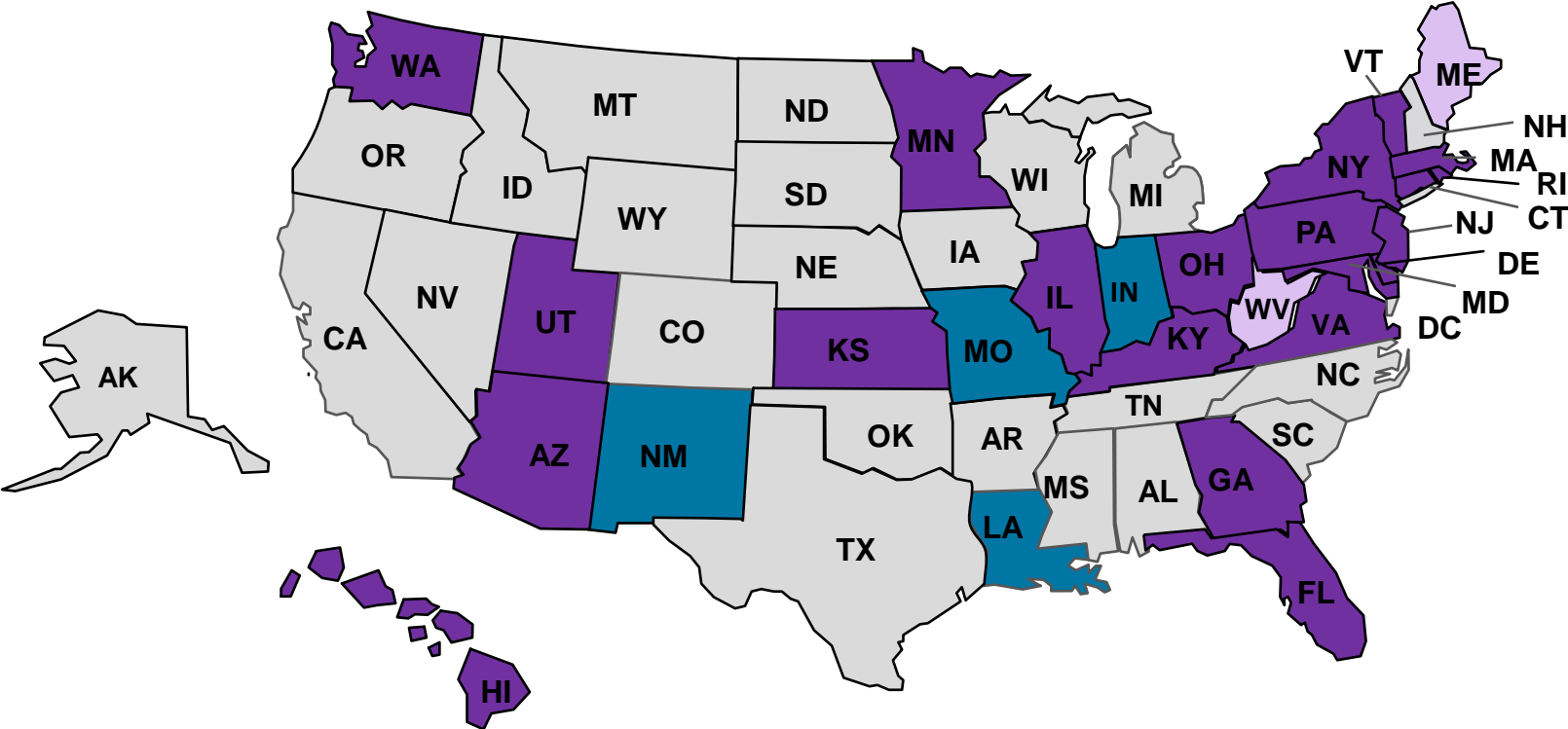
Pharmaceutical Benefit Managers

- The National Council of Insurance Legislators is working the Arkansas law through its committees in order to make it a model bill. The AMA has supported this effort while urging NCOIL legislators to add provisions into the draft model on harmful UM protocols employed by PBMs, as well as conflicts of interest associated with P&T Committee members.
- Advocacy Resource Center staff is very active before the National Association of Insurance Commissioners, e.g., participating in the development of the Health Benefit Plan Network Adequacy and Access Model Act. NAIC has establish a new subgroup to explore the PBM regulatory issue.

Prior Authorization

- There continues to be a great deal of state activity on PA step therapy and other utilization management protocols.
- The AMA model bill, policy, and Prior Authorization and Utilization Management Reform Principles are frequently the basis for legislation/regulation.
- The map shows in purple where there were bills, blue where bills were enacted, and light purple where bill were vetoed.
- Going forward, we are looking at revising our legislation to look at issues such as clinical validity of prior auth protocols, qualification of reviewers, gold carding programs, and overall volume reduction.
- ARC staff is already working with several states on legislative proposals for next year.
- More information at www.fixpriorauth.org

Prior Authorization: 2018 state activity



Medicaid trend: Work requirements

- Medicaid issues are often turning from expanding coverage to restricting eligibility in new ways. In some states, these restrictions represent a necessary compromise to begin or continue Medicaid expansion programs. In others, expanding Medicaid budgets are forcing reconsideration of all aspects of their programs, including prescription drug spending and payment initiatives, in hopes of identifying new savings mechanisms.
- States are increasingly looking at ways to trim their Medicaid rolls with features like work requirements.
- Since CMS announced it would permit states to require certain Medicaid beneficiaries to work or engage in other work-related activities as a condition of eligibility, four states (AR, KY, IN and NH) have secured federal approval to do so and eight (AZ, KS, ME, MS, NC, OH, UT and WI) have waiver proposals pending. Some 30 state legislatures debated work requirement bills this year, with legislation passing in four states (MI, TN, UT and VA).

Medicaid trend: Expansion

- After little successful legislative activity in 2017, 2018 was a big year for Medicaid expansion.
 - Virginia became the 33rd state to adopt Medicaid expansion.
 - Last November, Maine became the first state to expand Medicaid through a voter referendum. Voters in Maine overwhelmingly approved the measure with nearly 60 percent of the vote, though, to date, Maine's Governor refused to implement the program.
 - Following Maine's example, three other states (ID, NE and UT) are pursuing Medicaid expansion via ballot initiative in 2018.
 - In addition, Montana is seeking to reauthorize and fund its existing Medicaid expansion program by ballot.
 - Legislatures in Arkansas and New Hampshire also reauthorized Medicaid expansion this year.

Antitrust: CVS-Aetna and Cigna-Express Scripts

- The CVS-Aetna merger is a horizontal and a vertical merger.
- In additional markets, the merger is “vertical” because Aetna is a buyer of inputs (such as PBM services and pharmacy) that CVS sells. In additional markets, the merger is “vertical” because Aetna is a buyer of inputs (such as PBM services and pharmacy) that CVS sells. Vertical mergers’ impacts are much more difficult to determine than those of horizontal mergers. Compared with horizontal mergers, very little economic research and legal guidance about vertical mergers exist.
- The AMA has never opposed a vertical merger—it has only challenged horizontal mergers of health insurers with varying degrees of success (most dramatically the huge victories in Anthem-Cigna and Aetna-Humana).
- AMA initially called for “close scrutiny.” However, in during a public hearing in June, AMA announced that it opposed the merger. The AMA took this position based on conclusions reached by nationally-recognized experts. CMA shortly afterward came out against the merger.

Antitrust: CVS-Aetna and Cigna-Express Scripts

- As a result of the hearing, in August California Insurance Commissioner David Jones submitted a letter to the U.S. Department of Justice recommending that the DOJ sue to block the merger. An archived video of the hearing, as well as related documents, can be accessed at <http://www.insurance.ca.gov/01-consumers/110-health/60-resources/Aetna-CVS-Merger-Information.cfm>.
- In August, the AMA sent a comprehensive memorandum to the DOJ, along with extensive expert reports, arguing why the DOJ should oppose the merger.

