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Year 2 Report February 1, 2017 – January 31, 2018



USC-Brookings

# Schaeffer Initiative *for Health Policy*

# Strategic Approach

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The USC-Brookings Schaeffer Initiative for Health Policy is committed to developing innovative policy solutions to our nation's most pressing health care challenges. The rising costs and uneven quality of health care in the United States continue to rank among the nation's most imminent domestic policy challenges. To achieve its mission, the USC-Brookings Schaeffer Initiative analyzes and develops policies to address key problems in health care.

The USC-Brookings Schaeffer Initiative is a collaboration between the Center for Health Policy at the Brookings Institution and the Schaeffer Center for Health Policy & Economics, a partnership between the Price School of Public Policy and the School of Pharmacy at the University of Southern California (USC).

Paul Ginsburg, the Leonard D. Schaeffer Chair at the Center for Health Policy at Brookings and director of public policy at the USC Schaeffer Center for Health Policy & Economics, leads the Initiative, working closely with Loren Adler, Initiative associate director, and Dana Goldman, director of the USC Schaeffer Center.

The USC-Brookings Schaeffer Initiative combines the policy and analytic expertise of the Center for Health Policy at Brookings with the data and analytic strengths of the USC Schaeffer Center for Health Policy & Economics to produce evidence-based policy recommendations on salient health policy issues.

Relying on a unique, bicoastal collaborative approach, the Schaeffer Initiative promotes health care reforms and policy solutions aiming to strengthen the U.S. health care system.

The Initiative focuses on three areas:

- **The Affordable Care Act and Future Health Reform**
- **Maximizing the Value of Innovation in Drugs and Devices**
- **Charting the Course for Medicare**

Brookings and USC work together to determine topics to address, potential authors, event topics, and overall research strategy.

The Initiative produces white papers that delve deeply into an issue and develop policy recommendations, shorter analyses of time-sensitive health policy issues, and convenes public conferences and private briefings. This strategy is coupled with direct engagement with policymakers and other stakeholders from both the public and private sectors.

Building on the success of the first year, in 2017 the Schaeffer Initiative continued to expand in scope and impact, solidifying its position as a leader in rigorous and insightful health policy research and analysis. In 2017, Initiative experts were called upon by Congressional members and their staff, White House staff and several state policy makers for insights on the nation's most pressing health policy challenges.



Panelists at the Schaeffer Initiative conference on patient cost sharing for prescription drugs (left to right): Steve Miller (Express Scripts), Elizabeth Fowler (Johnson & Johnson), Adam Fein (Drug Channels Institute), Fiona Scott Morton (Yale), Geoffrey Joyce (USC Schaeffer Center), and Margot Sanger-Katz (The New York Times).

The Initiative has grown to include three core leaders plus fourteen scholars who have contributed to the Initiative's portfolio of work. Additionally, these scholars collaborate with other experts at both USC and Brookings as well as other institutions nationwide.

# The Affordable Care Act and Future Health Care Reform

The USC-Brookings Schaeffer Initiative for Health Policy established itself as one of the premier sources for detailed analysis of the ACA and attempts at repeal.

Between multiple repeal and replace attempts, new regulation by executive order, and the eventual repeal of the individual mandate, the headline health policy issue of 2017 was attempts to change the direction of the Affordable Care Act (ACA). Through this policy upheaval, the USC-Brookings Schaeffer Initiative for Health Policy established itself as one of the premier sources for detailed analysis of the ACA and attempts at repeal.

Pivotal to this success was new Schaeffer Initiative Fellow **Matt Fiedler**, who previously served as Chief Economist at the **Council of Economic Advisers in the Obama administration**. Valuable expertise was also provided by Initiative scholars **Loren Adler**, **Paul Ginsburg**, **Tim Gröniger**, **Mark Hall**, **Jason Levitis**, **Alice Rivlin**, and **Erin Trish**. In addition to analysis of the repeal and replace proposals, the Initiative benefitted from these experts' unique policy proficiencies, providing insight on a range of ACA topics including individual market analysis, regulatory changes, and state innovation waivers.

In total, 37 pieces on the ACA were published, including reports in the *New England Journal of Medicine*, *Health Affairs*, and the *Journal of the American Medical Association* (JAMA). These pieces were the Initiative's most widely shared, viewed, and cited research of the year.

National media outlets including *The New York Times*, *The Washington Post*, and *The Wall Street Journal*, and the widely-viewed television program, John Oliver's *Last Week Tonight*, cited this work. Fiedler and other Initiative experts regularly appeared on national news programs, including *NPR*, *Marketplace* and the *POLITICO Pulse* podcast with Dan Diamond.

## Repeal and Replace

At a time when legislative action was moving at a break-neck pace and rumors abounded that Congress might vote on legislation before a **Congressional Budget Office (CBO)** score, Adler and Fiedler filled an essential gap with in-depth analyses predicting how CBO would estimate the health insurance coverage losses attributable to different repeal and replace legislation. As experts in both budget and health care policy, their knowledge of CBO methodology and ability to provide analysis of the economics surrounding each proposal provided an understanding of the coverage impacts of ACA repeal and replace efforts.

Their initial analysis was the first to illustrate how high CBO would estimate coverage losses from the House ACA replacement plan, leading to citations in dozens of media outlets. On the Brookings website alone, this report has been viewed over 30,000 times.

The Initiative's second analysis of how the CBO would score repeal and replace legislation provided the most robust estimation of the coverage reductions associated with the "Graham-Cassidy" ACA replacement proposal, as the bill was abandoned before CBO completed a full report. The importance of Adler and Fiedler's analysis is reinforced by the fact that the Senate was getting ready to vote on the Graham-Cassidy legislation before CBO could complete their analysis. **Both Schaeffer Initiative analyses served as trusted resources and were regularly mentioned by Members of Congress.**

Upon invitation by the *New England Journal of Medicine*, **Henry Aaron**, Adler, Fiedler, and Ginsburg penned three Perspectives detailing how the individual market was functioning and flaws in various attempts at ACA repeal and replace, amassing a combined 160,000 page views online and additional views when they appeared in print.



John Oliver cited Schaeffer Initiative research on his popular show, *Last Week Tonight*.

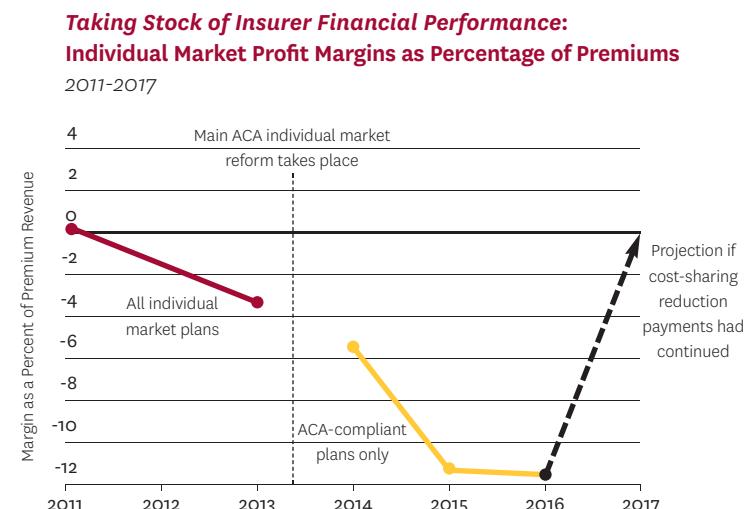
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Pieces published by the Schaeffer Initiative on the ACA

- Both Fiedler and Hall detailed the drawbacks of bifurcating the individual market into one for the sick and one for the healthy, as multiple ACA replacement bills would have done. Fiedler explained what this would mean for people's insurance premiums and clarified that the Senate's Better Care Reconciliation Act (BCRA) would do just this if Senator Ted Cruz's amendment were adopted. Taking advantage of his decades of research on the individual market, Hall explained that this had all been tried and failed before.
- Hall and **Nicholas Bagley** (University of Michigan), again drawing on historical experience, explained why the House-proposed "Invisible Risk Sharing" program wasn't all it was cracked up to be, in a *Health Affairs* blog post.
- After spending years leading implementation of the ACA and the law's Section 1332 state innovation waivers at the Treasury Department, Levitis highlighted how GOP Senate-proposed changes to the 1332 waiver statute would open the door to state misuse of federal funds and the elimination of Essential Health Benefits requirements. Along with Brookings Senior Fellow **Stuart Butler**, Levitis also proposed proactive bipartisan reforms that could improve 1332 waivers.
- Adler and Ginsburg illustrated how the Senate's BCRA would impact average annual health care costs for those purchasing coverage in the individual market, broken out by age, family status, and income, starkly delineating the biggest losers under the bill.

# 3

Perspectives on individual market functioning in various ACA repeal attempts



- To expand beyond the technical policy community, **Kavita Patel** led two question-and-answer style blog posts explaining the largest effects the House and Senate ACA repeal bills would have directly on consumers, with each garnering over 7,000 views.

- While much of the Initiative's analysis focused on the impact ACA repeal would have on the individual market, Adler, Fiedler, and Gronniger published two reports detailing how the GOP House and Senate health care bills would impact the Medicaid program by introducing a per capita spending cap that was set to grow slower than anticipated health care costs. The reports elucidated that the proposal left no way for states to be made better off, leaving them only at risk of losses, and that many states would see very significant funding cuts. **Their analysis was cited in The Washington Post, The New York Times, among other outlets.**

- As the ACA's individual mandate was on the brink of repeal, Fiedler explained why doing so would cause real harm beyond voluntary dropping of coverage. And although the mandate is now repealed, it is still important to understand its coverage impacts. While no perfect evidence exists, Fiedler is currently examining the impact of the mandate on increasing the number of people with health insurance coverage.

#### State of the ACA Market

The debate over the ACA this past year was often beset by basic misunderstandings about the functions of the individual market and the widespread disbelief that it was unraveling. **Fiedler's research, entitled "Taking Stock of Insurer Financial Performance," presented the most**

#### comprehensive analysis of how insurers were actually performing in ACA markets, showing that insurers were on track to break even or make modest profits in 2017.

This work, along with complementary research from the Kaiser Family Foundation, moved the debate over the ACA to the point where most informed observers now understand that the ACA marketplaces are stable and there are no signs of a "death spiral."

#### ACA Regulation

Even while Congress attempted to legislatively repeal the ACA, the administration sought to modify the law through regulation. Trish, Adler, and Ginsburg explained the importance of providing certainty over cost-sharing subsidies and other rules to promote stability in the ACA insurance markets.

In response to the administration's "marketplace stability rule" in early 2017, Fiedler penned a blog and filed a comment letter making the case against some of its provisions, and popularizing the argument that the restrictions on special enrollment periods could very well backfire and end up increasing per beneficiary costs to insurers. More recently, Fiedler also submitted a comment letter on 2019 National Benefit and Payment Parameters rule, focusing on the negative impacts that the changes to Essential Health Benefits requirements could have.

The administration currently has put out a proposed rule to liberalize Association Health Plans (AHPs), which risks increasing premiums in ACA marketplaces by drawing healthy beneficiaries into AHPs that do not have to abide by ACA regulations. **Mark Hall** submitted a comment letter detailing the problems with this proposed rule, and published an editorial in *The Washington Post* using history as a guide to illustrate why AHPs are still a bad idea.

## Maximizing the Value of Innovation in Drugs and Devices

Work produced under the Schaeffer Initiative explored nuances of the drug pricing debate, including drug pricing reform and appropriately incentivizing innovation. These analyses were recognized nationally, including being cited in a White House Council of Economic Advisers report.



The Initiative produced six pieces focused on biopharmaceutical and medical device innovation, with work published in *JAMA*, the *Journal of Health Politics, Policy and Law*, and the *Health Affairs* blog. In addition, the Initiative hosted three well-attended events on drug policy, including a 2018 event on patient cost sharing for prescription drugs.

A conference entitled "Fostering Competition in the Pharmaceutical Distribution Chain" featured presentations by **Neeraj Sood** and **Steve Lieberman**. Sood discussed a paper in which he and co-authors estimated the rents earned at each stage of the drug distribution chain. The paper authored by Lieberman and Paul Ginsburg focused on the effects of selectively disclosing actual generic drug prices in order to foster competition. Both papers were accompanied by *Health Affairs* blog posts.

Additional Initiative publications on drug policy in 2017 included:

- Karen Van Nuys, Dana Goldman, and Ian Spatz** (USC) proposed a series of reforms to prescription drug pricing.
- Rachel Sachs** (Washington University in St. Louis School of Law), Nicholas Bagley (University of Michigan), and Darius Lakdawalla, in a journal article and shorter *Health Affairs* blog post, detailed when the Medicaid Best Price Rule is an obstacle to innovative pricing arrangements and how Centers for Medicare and Medicaid Services (CMS) regulation can be crafted to make the rule more conducive to such arrangements. **This work was cited by the President's Council of Economic Advisers in their report, "Reforming Biopharmaceutical Pricing at Home and Abroad."**
- Sachs, Ginsburg, and Goldman collaborated on a *JAMA Viewpoint* detailing how finding new uses for old prescription drugs can be encouraged.
- On the broader topic of the cost-innovation tradeoff with prescription drugs, **Richard Frank** (Harvard University) and Ginsburg discuss in a *Health Affairs* blog whether the current cost of prescription drugs in the U.S. system might not be worth the marginal innovation being incentivized.
- Goldman and Lakdawalla penned an Initiative white paper outlining pharmaceutical price variation across peer nations, showing the unfair burden that Americans shoulder and the impact of this on future innovation. **This report was cited by the President's Council of Economic Advisers report, "Reforming Biopharmaceutical Pricing at Home and Abroad."**

## Charting the Course for Medicare

The Schaeffer Initiative published multiple high-impact pieces on critical policy issues facing Medicare. The Initiative also hosted a day-long conference to commemorate the 25th anniversary of the Medicare fee schedule.



Erin Trish co-authored three papers on Medicare Advantage: two along with Loren Adler, **Joseph Antos** (AEI), **John Bertko** (Covered California), Paul Ginsburg, and **Steve Lieberman** developing recommendations to improve the Medicare Advantage program, and another with Ginsburg, **Laura Gascue**, and **Geoffrey Joyce** published in *JAMA* on comparing physician reimbursement in Medicare Advantage to traditional Medicare and private insurance.

Delivery system reform was a big focus of the Schaeffer Initiative again in 2017. Led by Tim Gronniger, former Chief of Staff at CMS' Center for Medicare and Medicaid Innovation, Initiative researchers detailed recommendations to the Trump administration on how to handle Medicare's bundled payment programs in *Health Affairs*. The recommendations focused on the importance of maintaining programs with mandatory participation to allow for rigorous testing of efficacy, and against all expectations, CMS ended up continuing one model with limited mandatory participation.

Lieberman, **Margaret Darling**, and Ginsburg added recommendations for delivery system reform as part of the Schaeffer Initiative Health Policy Solutions series. Ginsburg and **George Williams**, an ophthalmologist, showed how major opportunities for provider payment reform often involve specific approaches for high spending areas, drawing on ideas for reforming Medicare payment for macular degeneration.



In the *New England Journal of Medicine*, Ginsburg and Kavita Patel, a practicing clinician, coauthored an overview of physician payment reform. The Schaeffer Initiative also hosted a well-attended day-long conference on the Medicare fee schedule in partnership with the Urban Institute.

## Other Health Policy Issues

Schaeffer Initiative experts analyze a broad range of other policy issues that present pressing challenges to the nation's health care, spanning topics from surprise medical bills to competition and consolidation to the opioid epidemic.

### Provider and Insurer Competition

Schaeffer Initiative Director Paul Ginsburg, **Martin Gaynor** (Carnegie-Mellon) and **Farzad Mostashari** (Aledade, Inc.) produced a series of recommendations to improve health care competition and combat anti-competitive consolidation in a white paper. They also released a companion piece summarizing the proposals in *JAMA* and an op-ed that appeared in *Forbes* and *Governing*. **The authors, along with Loren Adler, briefed various White House staff on ideas for policies that could promote competition. Ginsburg and Adler also met with staff from Treasury, Health and Human Services (HHS), National Economic Council (NEC), Assistant Secretary for Planning and Evaluation of Health and Human Services ASPE, and Federal Trade Commission (FTC).**

### Surprise Medical Bills

Building on a successful research project on surprise balance billing from the previous year, the Schaeffer Initiative published two follow-up pieces. The first, published on the *Health Affairs* blog, explained why federal action is needed to mitigate surprise bills and detailed a preferred solution. Another blog summarized three federal proposals aimed at addressing the issue, one from a rule dating back to the previous administration and two from Members of Congress. **With recognized expertise on the topic, Schaeffer Initiative scholars continued to advise Congressional, Administration, and state government staff on the issue, and are regularly sought out by the media.**

### Network Adequacy

Mark Hall led a new project on network adequacy in 2017, culminating in a co-authored white paper with Ginsburg, and released simultaneously with a *Health Affairs* blog post focused on possible Trump administration actions.

### The Opioid Epidemic

"Our policy towards opioids over the past two decades has had disastrous results-leading to the worst drug epidemic in U.S. history," write **Jason Doctor** and **Michael Menchine**, an emergency department physician at USC, in their Schaeffer Initiative blog post that provides new ideas to reduce opioid use and encourage safe treatment. This analysis has been viewed over 7,500 times on the Brookings website.

Another publication addressing the opioid crisis was penned by **Dayna Bowen Matthew** (University of Virginia) who detailed the social determinants of opioid abuse and the public health response needed to beat the crisis.

The Initiative also held a policy event in Washington on the opioid crisis, featuring **Sir Angus Deaton**, **Representative Ann McLane Kuster**, and **Bertha Madras** (Harvard University), a member of the **President's Commission on Combatting Drug Addiction and the Opioid Crisis**.

### Essential Scan

The *Essential Scan*, a biweekly e-publication produced by the Initiative, draws out the policy implications from new publications on novel health services and health care payment research. The publication is sent to a growing list of some 1,200 policy makers, Hill staff, researchers, and journalists, and consistently receives a very high open rate (most recently 33 percent). The web version of the *Essential Scan* is subsequently posted to the Initiative blog, *Brookings USC Schaeffer on Health Policy*.

# Conferences

The Schaeffer Initiative has convened several national conferences on pressing policy topics. These events are well attended and typically held at The Brookings Institution in Washington, attracting speakers and audience from a wide range of stakeholders.



Sir Angus Deaton (USC, Princeton) confers with Professor Bertha Madras (Harvard), a member of the President's Commission on Combatting Drug Addiction and the Opioid Crisis, during an Initiative conference.



## Reining in Prescription Drug Prices

May 2, 2017

In partnership with Brookings' Hutchins Center on Fiscal and Monetary Policy, this event featured three proposals and papers submitted by drug policy experts, with focuses on negotiation in Medicare Part D, the effect of importation on high generic drug prices, and improving competition in pharmaceutical markets. Panelists included experts from Pharmaceutical Research and Manufacturers of America (PhRMA), CVS Health, the Institute for Clinical and Economic Review, and Rachel Sachs (Washington University of St. Louis). The event concluded with a discussion on the politics of drug policy between Hutchins' David Wessel and former House member Henry Waxman.

In-person attendees: 128

Media attendees: 8

Webcast live views: 541

## Fostering Competition in the Pharmaceutical Distribution Chain

June 14, 2017

USC, Brookings, and outside experts came together to look beyond pharmaceutical manufacturers and shed light on the rest of the pharmaceutical distribution chain. Two papers were presented – the profitability throughout the distribution chain by Neeraj Sood and the potential of limited price transparency to lower costs by Steve Lieberman. The event also included panels with experts from Express Scripts, PhRMA, America's Health Insurance Plans (AHIP), Consumers Union, and CVS Health.

In-person attendees: 119

Media attendees: 5

Webcast live views: 461

## The Medicare Physician Fee Schedule and Alternative Payment Models

September 26, 2017

This full-day, joint conference with the Urban Institute and Actuarial Research Corporation evaluated the current state of the Medicare Physician Fee Schedule and the transition to new payment models. As experts highlighted, even with the move to alternative payment models, the fee schedule still accounts for \$90 billion in annual Medicare payments, and pieces of it will still be important in the new health paradigm.

The event featured panels and discussions on the origins and evolution of the fee schedule, the relationship between the fee schedule and alternative payment models, the challenges and options for establishing relative values, and a panel on the future of the fee schedule. Panelists with a range of perspectives and backgrounds participated, with representatives from Medicare Payment Advisory Committee (MedPAC), Physician Payment Model Technical Advisory Committee (PTAC), Relative Value Scale Update Committee of the American Medical Association (RUC), various medical associations, legal and consulting firms, insurers, RAND, Commonwealth Fund, and the Quebec Ministry of Health and Social Services.

In-person attendees: 150

Media attendees: 2

Webcast live views: 256

## Policy Approaches to the Opioid Crisis, featuring remarks from Sir Angus Deaton, Rep. Ann McLane Kuster, and Professor Bertha K. Madras

November 3, 2017

The Schaeffer Initiative held an event focused on policy solutions to the opioid epidemic, featuring Sir Angus Deaton, Representative Ann McLane Kuster, and Dr. Bertha Madras, who is a member of the President's Commission on Combatting Drug Addiction and the Opioid Crisis. In addition to the speakers, the event panel, moderated by Alan Weil, also included Jason Doctor and Rebecca Haffajee (University of Michigan).

In-person attendees: 136

Media attendees: 4

Webcast live views: 479

## Wall Street Comes to Washington

November 15, 2017

Now in its 21st year, Paul Ginsburg's signature roundtable event brings together Wall Street analysts from brokerage and investment management firms who cover health insurers and health care providers, especially hospitals, to discuss recent industry developments relevant to federal health policy. By bridging the worlds of Wall Street and Washington, the event provides policymakers a better understanding of how health care markets work and what changes in the health care system mean for industry stakeholders.

This year, the roundtable explored broad market trends shaping health care and how the political climate affects the outlook for health care companies. Analysts discussed how the prospect of ACA repeal or reform is viewed by

hospitals and insurers, and the difficulty of pursuing financing for new efforts amid such high policy uncertainty. The event included equity analysts from Mizuho Securities USA, Goldman Sachs, and Leerink Partners.

In-person attendees: 108

Media attendees: 3

## Patient Cost Sharing for Prescription Drugs: Policy Issues

February 16, 2018

This Schaeffer Initiative conference explored issues around the continuing growth of US drug prices due to both price hikes of existing drugs and development of new expensive therapies. This has resulted in patients facing high out-of-pocket burdens. Conference panels, moderated by Paul Ginsburg and Margot Sanger-Katz (*New York Times*), looked at approaches to restructuring Part D benefit design while the second panel debated the effectiveness of mechanisms to reduce cost sharing for commercially insured patients. Panelists included Erin Trish, Douglas Holtz-Eaton (American Action Forum), Elizabeth Jurinka (chief health adviser, Senate Committee on Finance), Nicholas Uehlecke (professional staff, House Ways and Means Committee, Subcommittee on Health), Geoffrey Joyce, Fiona Scott Morton (Yale University), Adam Fein (Drug Channels Institute), Elizabeth Fowler (Johnson & Johnson), and Steve Miller (Express Scripts).

In-person attendees: 119

Media attendees: 8

Webcast live views: 534

# Influence on Health Policy

Schaeffer Initiative experts are a proven resource to Congress and the Administration, including White House and key committee staff, and to high-ranking state government officials.



Schaeffer Initiative experts have been at the forefront of health policy discussions by advising policymakers, providing public testimony, and providing commentary and recommendations through traditional media, academic literature, blogs, op-eds, and events.

## Congressional and Administration Interaction

Schaeffer Initiative experts have frequent interaction with policymakers in the Administration and Congress, and have influenced the health policy debate. Over the past year:

- Matt Fiedler, Loren Adler, and Jason Levitis regularly briefed Congressional staff on the ACA and the impacts of various provisions in different repeal bills. ***In a rapidly moving debate with new bills or amendments often being released during evenings and weekends, Schaeffer Initiative experts served as vital resources to help Congressional offices quickly understand the implications of each bill.***
- Matt Fiedler worked extensively with **Members of Congress** on multiple proposals to build on and improve the ACA.
- Loren Adler advised **bipartisan negotiations in the House of Representatives** on an ACA reform and stabilization package.
- Paul Ginsburg and Loren Adler briefed **Treasury, Health and Human Services, National Economic Council, Assistant Secretary for Planning and Evaluation of Health and Human Services**, and **Federal Trade Commission** staff at the **White House** on issues relating to provider and insurer competition.
- Mark Hall, Loren Adler, and Caitlin Brandt answered questions from **Congressional staff** on surprise balance billing policy.
- Dana Goldman conferred with **CMS Administrator Seema Verma** and staff on Medicare Part D.
- Neeraj Sood presented to the **Federal Trade Commission (FTC)** on the pharmaceutical distribution chain.

## State Lawmaker Interaction

In addition to interacting with federal lawmakers, Initiative staff played an important role in shaping health policy in the states.

Erin Trish and Paul Ginsburg testified in front of the **California and Massachusetts legislatures**, respectively, on issues relating to provider payment and health care delivery costs.

With experience leading ACA implementation at the Treasury Department, Schaeffer Initiative Nonresident Fellow Jason Levitis provided technical assistance to states as they attempted to deal with new administrative decisions and policies impacting their ACA Marketplaces. Specifically, Levitis:

- Advised states on responses to the cut-off of federal cost-sharing reduction payments, explaining rules and options on a conference call with roughly 100 state officials, as well as on numerous calls with officials from individual states, contributing to fast and constructive state decision-making and a smooth transition after the sudden cut-off.
- Advised states considering enactment of a state individual mandate to replace the federal mandate and developed comprehensive and widely used model legislation. He presented at two webinars each attended by about 200 state officials, conducted numerous technical assistance calls with officials and legislative staff from particular states, and testified at a DC Health Benefits Exchange Advisory Board meeting.



Schaeffer Initiative experts are called upon by elected officials, their staff and others from various governmental agencies for policy insights. Erin Trish (above) testified at the California legislature on health care delivery systems and universal coverage.

- Assisted states in navigating the section 1332 state innovation waiver process, including explaining the rules, developing waiver concepts, putting together applications, coordinating with federal partners, and following through during post-application review process. In 2017, Levitis helped three states get waivers approved providing for a state reinsurance program.

## Media Impact

Experts from the Schaeffer Initiative became an essential voice for the media this year on all things related to the ACA, along with continued requests for other general health policy issues. ***Over the past year, the Initiative has had hundreds of media mentions or quotes referencing***

**Schaeffer events, research, and experts in the The New York Times, The Washington Post, The Wall Street Journal, POLITICO, NPR, Bloomberg, The Hill, Time magazine, among others.** Some Schaeffer Initiative analysis, like the CBO estimates, even warranted featured stories. Schaeffer Initiative work continues to be a fixture in the daily POLITICO Pulse email. A selection of mentions includes:

- *The New York Times* quoted Dana Goldman in: *How Trump Can Fix Health Care* – Benjamin Domenech
- *The New York Times* quoted Matthew Fiedler in: *While Premiums Soar Under Obamacare, Costs of Employer-Based Plans Are Stable* – Reed Abelson
- *Time* quoted Alice Rivlin in: *Republicans Have a Bill to Repeal Obamacare. They Don't Know Exactly What It Will Do* – Nash Jenkins
- *Business Insider* quoted Matthew Fiedler and Loren Adler in: *A new analysis says 21 million more people would have no insurance under the new GOP healthcare bill* – Bob Bryan
- *The Washington Post* quoted Paul Ginsburg in: *President Trump just took his most significant step yet to undermine Obamacare* – Amber Phillips
- *The Wall Street Journal* quoted Matthew Fiedler in: *Health Premiums to Rise, Trump Administration Says* – Stephanie Armour
- NBC News quoted Matthew Fiedler in: *Trump administration proposes end run around Obamacare rules* – Benjy Sarlin

# Leadership and Scholars

## Leadership

**Paul Ginsburg, PhD**, Director of the USC-Brookings Schaeffer Initiative for Health Policy; Leonard D. Schaeffer Chair in Health Policy Studies, Brookings Institution; Director of Public Policy at the USC Schaeffer Center, and Professor of Public Policy at Price School of Public Policy, USC



Paul Ginsburg is a well-known health policy expert, frequently called upon by government officials and agencies and the media. In 2016, he was appointed a Commissioner on the Medicare Payment Advisory Commission (MedPAC). From 1995 through 2013, Ginsburg founded and ran the Center for Studying Health System Change, and before that served as Executive Director of the predecessor to MedPAC, the Physician Payment Review Commission. He also served as Deputy Assistant Director at the Congressional Budget Office.

**Dana P. Goldman, PhD**, Leonard D. Schaeffer Director's Chair, Schaeffer Center; Distinguished Professor of Public Policy, Pharmacy, & Economics at USC School of Pharmacy & Price School of Public Policy at USC



Dana Goldman is the author of over 200 articles and book chapters, and has been published in leading medical, economic, health policy, and statistics journals. His research focuses on medical innovation and regulation, pharmacoeconomics, health care costs, public health, comparative effectiveness and outcomes, global health policy, and patient centered outcomes. An elected member of the National Academy of Medicine, he is a health policy advisor to the Congressional Budget Office, Covered California (the California insurance exchange), the Fred Hutchinson Cancer Institute, and is a frequent speaker on health care issues in the media.

**Loren Adler, BA**, Associate Director, USC-Brookings Schaeffer Initiative for Health Policy

Loren Adler previously spent several years researching health care and fiscal policy at the Bipartisan Policy Center and the Committee for a Responsible Federal Budget.

## Scholars at Brookings

**Matthew Fiedler, PhD**, Fellow, USC-Brookings Schaeffer Initiative for Health Policy

Matthew Fiedler's research focuses on the Affordable Care Act, Medicare, and provider payment. He previously served as Chief Economist for the Council of Economic Advisers in the Obama Administration, overseeing work on the creation and operation of the Health Insurance Marketplaces, health insurance regulation, Medicaid expansion, Medicare and private payment reform efforts, the Cadillac tax, and analyzed trends in health care costs and health insurance coverage.

**Alice Rivlin, PhD**, Senior Fellow, Brookings Institution

With a public service career that began in the 1950s, Alice Rivlin has served as Assistant Secretary for Planning and Evaluation at the Department of Health Education and Welfare, founding Director of the Congressional Budget Office, Director of the Office of Management and Budget, and Vice Chair of the Federal Reserve Board. She remains engaged in the work of the Schaeffer Initiative as an adviser and a scholar on ACA issues.

## Scholars at USC Schaeffer Center

**Jason Doctor, PhD**, Director of Health Informatics, Schaeffer Center; Norman Topping Chair in Medicine and Public Policy and Chair of the Department of Health Policy and Management, Price School of Public Policy at USC

Jason Doctor's research focuses on behavioral economics and the use of choice architecture to affect policy in health and medicine. His current work explores behavioral interventions to reduce inappropriate prescribing of antibiotics and to address the opioid epidemic.

**Geoffrey Joyce, PhD**, Director of Health Policy, Schaeffer Center; Chair of Pharmaceutical and Health Economics Department and Associate Professor, USC School of Pharmacy

Geoffrey Joyce's research focuses on the impacts of Medicare Part D, prior authorization policies, and pricing in health care markets. His work has been widely published in peer-reviewed journals and featured in *The Wall Street Journal*, *The Washington Post*, *Los Angeles Times*, *U.S. News and World Report*, *NBC Nightly News*, *CBS Evening News*, *National Public Radio*, and other media.

## Leaders

**Darius Lakdawalla, PhD**, Director of Research, Schaeffer Center; Quintiles Chair in Pharmaceutical Development and Regulatory Innovation, School of Pharmacy; Professor, Price School of Public Policy

Darius Lakdawalla's research focuses on the economics of risks to health, the value and determinants of medical innovation, the economics of health insurance markets, and the industrial organization of healthcare markets. He is a Research Associate at the National Bureau of Economic Research, Associate Editor for the Review of Economics and Statistics, The American Journal of Health Economics, The Journal of Health Economics, and an Editorial Board Member at the American Journal of Managed Care: Evidence-Based Diabetes and the American Journal of Managed Care: Evidence-Based Oncology.

**John Romley, PhD**, Associate Professor of Public Policy, Price School of Public Policy; Associate Professor of Pharmaceutical and Health Economics, USC School of Pharmacy

John Romley's research focuses on health care costs, public health, insurance markets and benefits design and medical innovation and regulation. He participated in the first nationwide study of disparities in alcohol retailing in urban neighborhoods, with support from the Robert Wood Johnson Foundation and was a co-investigator in an AHRQ-funded study that identified, categorized and evaluated efficiency measures in health care. He is the Managing Editor of Forum for Health Economics & Policy.

**Neeraj Sood, PhD**, Schaeffer Center; Vice Dean for Research, Professor of Public Policy, Price School of Public Policy at USC

Widely published in peer-reviewed journals and frequently quoted in national media, Neeraj Sood's work focuses on the economics of innovation, HIV/AIDS, health care financing, and global health. He has worked with the National Academies of Sciences, Engineering and Medicine on several projects, most recently in their report on the elimination of Hepatitis B and C, and has provided insights to several government entities, including the FTC and the Senate.

**Erin Trish, PhD**, Associate Director of Health Policy, Schaeffer Center; Research Assistant Professor, Price School of Public Policy at USC

Erin Trish's research is focused on the impact of the Affordable Care Act on insurer and provider markets, analyzing market forces that impact insurer-provider negotiations over payment rates, and healthcare spending. She has worked on several research projects related to the ACA including simulations of the population expected to obtain coverage through the exchanges as well as the risk adjustment programs included in the law.

**Karen Van Nuys, PhD**, Executive Director, value of life sciences innovation project, Schaeffer Center; Research Assistant Professor of Health Policy and Management, Price School of Public Policy

Karen Van Nuys's current research focuses on the value of healthcare innovations, and the relationship between healthcare business practices and social value. Previously a National Fellow at the Hoover Institution and a Director at Booz Allen Hamilton, her work has appeared in diverse journals, ranging from *The Journal of Financial Economics* and *Harvard Business Review* to *The Lancet* and *JAMA*.

## Contributing Scholars

**Tim Gronniger, MPP, MPH**, Senior Vice President, Caravan Health; 2017 Nonresident Fellow, Brookings

Previously, Tim Gronniger was Chief of Staff and Director of Delivery System Reform at CMS' Center for Medicare and Medicaid Innovation (CMMI).

**Mark Hall, JD**, Nonresident Senior Fellow, Brookings; Fred D. & Elizabeth L. Turnage Professor of Law, Wake Forest University

**Jason Levitis, JD**, Nonresident Fellow, Brookings

From 2009-2017, Jason Levitis served in various senior positions at the U.S. Treasury Department, leading ACA implementation and the state innovation waiver process.

**Steven Lieberman, MPhil, MA**, Nonresident Fellow, Brookings

Steve Lieberman had a decades-long career in Washington with senior positions at the Office of Management and Budget, the Congressional Budget Office, and the Centers for Medicare and Medicaid Studies. In between government service, Lieberman also worked in executive roles at large HMO plans. He is currently President of Lieberman Consulting and a senior advisor to the Bipartisan Policy Center. He previously held senior positions at the Congressional Budget Office and Office of Management and Budget.

**Kavita Patel, MD, MPH**, Nonresident Fellow, Brookings

Kavita Patel is a practicing primary care physician at Sibley Memorial Hospital. Previously, she served in the White House as Director of Policy for the Office of Intergovernmental Affairs and Public Engagement and for Senator Edward Kennedy as Deputy Staff Director.

# Publications

## White Papers

**Making health care markets work: Competition policy for health care** (April 13, 2017) – Martin Gaynor, Farzad Mostashari, and Paul B. Ginsburg

**Effects of the Medicaid per capita cap included in the House-passed American Health Care Act** (May 10, 2017) – Loren Adler, Matthew Fiedler, and Tim Gronniger

**Would price transparency for generic drugs lower costs for payers and patients?** (June 14, 2017) – Steven Lieberman and Paul B. Ginsburg

**Effects of the more austere Medicaid per capita cap included in the Senate's health bill** (June 26, 2017) – Loren Adler, Matthew Fiedler, and Tim Gronniger

**A better approach to regulating provider network adequacy** (September 14, 2017) – Mark A. Hall, Paul B. Ginsburg

**How will the Graham-Cassidy proposal affect the number of people with health insurance coverage?** (September 22, 2017) – Matthew Fiedler and Loren Adler

**Taking stock of insurer financial performance in the individual health insurance market through 2017** (October 27, 2017) – Matthew Fiedler

**Medicare Advantage: Better information tools, better beneficiary choices, better competition** (November 29, 2017) – John Bertko, Paul Ginsburg, Steven Lieberman, Erin Trish, and Joseph Antos

## Journal Articles

**Improving Hospital Incentives with Better Cost Data** (March 16, 2017) – Paul B. Ginsburg and Merle Ederhof, *New England Journal of Medicine*

**Making Health Care Markets Work: Competition Policy for Health Care** (April 4, 2017) – Martin Gaynor, Farzad Mostashari, and Paul Ginsburg, *JAMA*

**Moving in the Wrong Direction – Health Care under the AHCA** (June 28, 2017) – Matthew Fiedler, Henry Aaron, Loren Adler, and Paul Ginsburg, *New England Journal of Medicine*

**Physician Payment Reform – Progress to Date** (July 20, 2017) – Paul Ginsburg, Kavita Patel, *New England Journal of Medicine*

**Turmoil in the Individual Insurance Market – Where it Came from and How to Fix It** (July 27, 2017) – Henry Aaron, Matthew Fiedler, Paul Ginsburg, Loren Adler, and Alice Rivlin, *New England Journal of Medicine*

**Medicare Advantage Compared with Traditional Medicare and Commercial Health Insurance** (September 1, 2017) – Erin Trish, Paul Ginsburg, Laura Gascue, *JAMA Internal Medicine*

**The Graham-Cassidy Plan – the most harmful ACA-repeal yet** (September 22, 2017) – Loren Adler, Henry Aaron, Paul Ginsburg, Matthew Fiedler, *New England Journal of Medicine*

**Innovative Contracting for Pharmaceuticals and Medicaid's Best Price Rule** (October 3, 2017) – Nicholas Bagley, Darius Lakdawalla, and Rachel Sachs in the *Journal of Health Politics, Policy, and Law*

**Encouraging New Uses for Old Drugs** (December 4, 2017) – Rachel Sachs, Paul Ginsburg, Dana Goldman, *JAMA*

## Blogs / Comment Letters / Opinion Pieces

**Stopping surprise medical bills: Federal action is needed** (February 1, 2017) *HealthAffairs Blog*, Loren Adler, Mark Hall, Caitlin Brandt, Paul Ginsburg, and Steve Lieberman

**New data on sign-ups through the ACA's marketplaces should lay "death spiral" claims to rest** (February 8, 2017) – USC-Brookings Schaeffer on Health Policy blog, Matthew Fiedler

**4 recommendations to advance Medicare delivery system reform** (February 10, 2017) – USC-Brookings Schaeffer on Health Policy blog, Steve Lieberman, Margaret Darling, and Paul Ginsburg

**Re-balancing medical and social spending to promote health: Increasing state flexibility to improve health through housing** (February 15, 2017) – USC-Brookings Schaeffer on Health Policy blog, Stuart Butler, Dayna Bowen Matthew, and Marcela Cabello

**Trump administration's proposed change to ACA special enrollment periods could backfire** (February 17, 2017) – USC-Brookings Schaeffer on Health Policy blog, Matthew Fiedler

**How to Insure Everyone at a Reasonable Cost** (March 3, 2017) – Forbes, Kip Hagopian and Dana Goldman

**Expect the CBO to estimate large coverage losses from the GOP health care plan** (March 9, 2017) – USC-Brookings Schaeffer on Health Policy blog, Loren Adler and Matthew Fiedler

**How will the House GOP health care bill affect individual market premiums?** (March 16, 2017) – USC-Brookings Schaeffer on Health Policy blog, Matthew Fiedler and Loren Adler

**Tackling the opioid crisis with compassion, new ways to reduce use and treatment** (March 20, 2017) – USC-Brookings Schaeffer on Health Policy blog, Jason N. Doctor and Michael Menchine

**9 questions Americans are – and should be – asking about the American Health Care Act and its projected impact** (March 21, 2017) – USC-Brookings Schaeffer on Health Policy blog, Caitlin Brandt, Margaret Darling, Marcela Cabello, and Kavita Patel

**The House GOP amended its health care bill, but CBO estimates of coverage losses are not likely to meaningfully improve** (March 21, 2017) – USC-Brookings Schaeffer on Health Policy blog, Matthew Fiedler and Loren Adler

**New changes to essential benefits in GOP health bill could jeopardize protections against catastrophic costs, even for people with job-based coverage** (March 24, 2017) – USC-Brookings Schaeffer on Health Policy blog, Matthew Fiedler

**How should the Trump administration handle Medicare's new bundled payment programs?** (April 10, 2017) – USC-Brookings Schaeffer on Health Policy blog, Tim Gronniger, Matthew Fiedler, Kavita Patel, Loren Adler, and Paul B. Ginsburg

**Making sense of "invisible risk sharing"** (April 12, 2017) – USC-Brookings Schaeffer on Health Policy blog, Mark Hall and Nicholas Bagley

**Looking backward and forward: Assessing the CBO/JCT analysis of the AHCA** (April 19, 2017) – USC-Brookings Schaeffer on Health Policy blog, Steven Lieberman

**To promote stability in health insurance exchanges, end the uncertainty around cost-sharing and other rules** (April 20, 2017) – USC-Brookings Schaeffer on Health Policy blog, Erin Trish, Loren Adler, and Paul B. Ginsburg

**New amendment to GOP health bill effectively allows full elimination of community rating, exposing sick to higher premiums** (April 27, 2017) – USC-Brookings Schaeffer on Health Policy blog, Matthew Fiedler

**Allowing states to define "essential health benefits" could weaken ACA protections against catastrophic costs for people with employer coverage nationwide** (May 2, 2017) – USC-Brookings Schaeffer on Health Policy blog, Matthew Fiedler

**All the king's horses and all the king's men: Reintroducing fractured risk pools** (May 11, 2017) – USC-Brookings Schaeffer on Health Policy blog, Mark Hall

**A competition prescription for our health care system** (May 15, 2017) – Governing, Martin Gaynor, Farzad Mostashari, Paul Ginsburg

**10 questions Americans are – and should be – asking about the House-passed AHCA and its projected impact** (June 8, 2017) – USC-Brookings Schaeffer on Health Policy blog, Caitlin Brandt, Margaret Darling, Marcela Cabello, and Kavita Patel

**Take Me Out to the Pill Game** (June 20, 2017) – The Wall Street Journal, Dana Goldman and Darius Lakdawalla

**Want states to have health reform flexibility? The ACA already does that** (June 21, 2017) – USC-Brookings Schaeffer on Health Policy blog, Jason Levitis and Stuart Butler

**Changes to state innovation waivers in the senate health bill undermine coverage and open the door to misuse of federal funds** (June 23, 2017) – USC-Brookings Schaeffer on Health Policy blog, Jason Levitis

**Like the AHCA, the Senate's health care bill could weaken ACA protections against catastrophic costs** (June 23, 2017) – USC-Brookings Schaeffer on Health Policy blog, Matthew Fiedler

**How would the Senate's health care bill affect individual market premiums?** (June 29, 2017) – USC-Brookings Schaeffer on Health Policy blog, Matthew Fiedler and Loren Adler

**How Republicans can save their health care legacy** (July 5, 2017) – The Brookings Institution, Alice Rivlin

**Sen. Cruz's proposed change to Senate's health care bill would undermine protections for enrollees with significant health care needs** (July 12, 2017) – USC-Brookings Schaeffer on Health Policy blog, Matthew Fiedler

**How the BCRA would impact enrollee costs, according to your age** (July 12, 2017) – USC-Brookings Schaeffer on Health Policy blog, Loren Adler and Paul B. Ginsburg

**Requirement to maintain a "single risk pool" would not contain effects of Cruz's proposal** (July 20, 2017) – USC-Brookings Schaeffer on Health Policy blog, Matthew Fiedler

**How BCRA 2.0 would impact enrollee costs, according to your age and income** (July 20, 2017) – USC-Brookings Schaeffer on Health Policy blog, Loren Adler and Paul B. Ginsburg

**How would the revised Senate health care bill affect individual market premiums in 2026 and over the long run** (July 24, 2017) – USC-Brookings Schaeffer on Health Policy blog, Matthew Fiedler and Loren Adler

**Revised Senate health care bill doesn't fix concerns about state innovation waivers** (July 25, 2017) – USC-Brookings Schaeffer on Health Policy blog, Jason Levitis

**This is how Congress could craft a bipartisan health-care bill** (July 30, 2017) – MarketWatch, Paul Howard and Dana Goldman

**Reining in pharmaceutical costs** (August 3, 2017) – USC-Brookings Schaeffer on Health Policy blog, Karen van Nuys, Dana Goldman, Ian D. Spatz

**Receive a surprise medical bill? Here are three federal actions that may address surprise bills** (August 8, 2017) – USC-Brookings Schaeffer on Health Policy blog, Margaret Darling, Caitlin Brandt, Loren Adler, and Mark Hall

**Insurer competition in rural areas: A bipartisan challenge** (August 9, 2017) – The Brookings Institution, Caitlin Brandt and Alice Rivlin

**Changes to state innovation waivers in Senate's "skinny bill" still raise serious concerns** (August 11, 2017) – USC-Brookings Schaeffer on Health Policy blog, Jason Levitis

**A billion here, a billion there: Selectively disclosing actual generic drug prices would save real money** (September 12, 2017) – HealthAffairs Blog, Margaret Darling and Paul B. Ginsburg

**Why Bernie Sanders's plan for universal health care is only half right** (September 12, 2017) STAT – Dana Goldman

**Network adequacy under the Trump administration** (September 14, 2017) – USC-Brookings Schaeffer on Health Policy blog, Mark Hall and Caitlin Brandt

**Elements of a compromise on state innovation waivers** (September 19, 2017) – USC-Brookings Schaeffer on Health Policy blog, Jason Levitis and Stuart Butler

**States have already tried Trump's health care order. It went badly.** (October 13, 2017) The Washington Post, Mark Hall

**How Health Care Providers Can Help End the Overprescription of Opioids** (October 24, 2017) – Harvard Business Review, Anupam B. Jena, Michael Barnett and Dana Goldman

**Pharmaceutical industry profits and research development** (November 17, 2017) – HealthAffairs Blog, Richard Frank, Paul Ginsburg

**Repealing the individual mandate would do substantial harm** (November 21, 2017) – USC-Brookings Schaeffer on Health Policy blog, Matthew Fiedler

**Treatment-specific payment approaches: The case of macular degeneration** (November 27, 2017) – HealthAffairs Blog, Paul Ginsburg, George A. Williams

**The global burden of medical innovation** (January 30, 2018) – USC-Brookings Schaeffer on Health Policy blog, Dana Goldman, Darius Lakdawalla

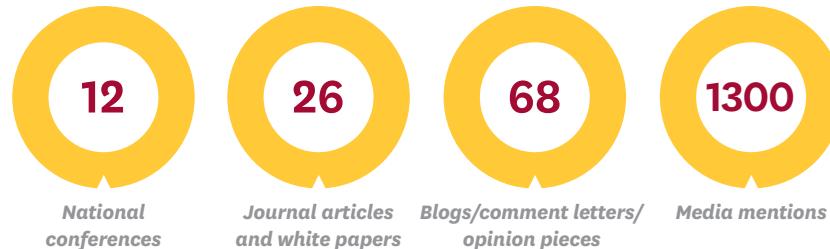
**How to interpret the Cadillac tax rate: A technical note** (February 1, 2018) – USC-Brookings Schaeffer on Health Policy blog, Matthew Fiedler

**Congress Should Replace Medicare's Merit-Based Incentive Payment System** (February 26, 2018) – HealthAffairs Blog, Matthew Fiedler, Tim Gronniger, Paul Ginsburg, Kavita Patel, Loren Adler, and Margaret Darling

**A proposal to enhance price competition and reform bidding in the Medicare Advantage program** (forthcoming) – Loren Adler, Steven Lieberman, Erin Trish, John Bertko, Paul Ginsburg, Alice Rivlin, Anthony Damico

# Conclusion

2 Years since launch of the Schaeffer Initiative:



In only two years since launch, the USC-Brookings Schaeffer Initiative for Health Policy has established itself as a valuable resource to federal and state policymakers and media on a wide range of health policy issues, playing an important role in continuing debates over U.S. health care reform. Building on the successes of work in the first year of this unique partnership, the Initiative has successfully expanded its reach and impact on the health policy challenges that face the nation.

The USC-Brookings Schaeffer Initiative for Innovation in Health Policy was established through a generous gift from Leonard D. Schaeffer. The Initiative also gratefully acknowledges support from Brookings, the USC Schaeffer Center, and GE Ventures and healthymagination.

Opportunities to help fund the expansion of the Initiative's reach and impact are available. These opportunities include support for:

- Operations and research
- Post-doctoral associates
- Data access
- Outreach efforts to policy and research communities, media and the public

With health care evolving at an unprecedented pace, the work of the Schaeffer Initiative has the potential to inform elected officials with evidence-based, thoughtful approaches to today's greatest health and health care challenges.

*To learn more, contact:*

Kukla Vera  
**USC Schaeffer Center**  
213.821.7978  
kuklaver@usc.edu

Greg McGovern  
**Brookings Institution**  
202.797.6093  
gmcgovern@brookings.edu

**USC-Brookings Schaeffer Initiative  
for Health Policy**

Paul Ginsburg, Director  
[paul.ginsburg@usc.edu](mailto:paul.ginsburg@usc.edu)

Loren Adler, Associate Director  
[LAdler@Brookings.edu](mailto:LAdler@Brookings.edu)  
202.238.3511

**The Brookings Institution**

1775 Massachusetts Avenue, NW  
Washington, DC 20036

**USC Schaeffer Center for  
Health Policy & Economics**

635 Downey Way  
Verna and Peter Dauterive Hall  
Suite 210  
Los Angeles, CA 90089

USC-Brookings  
**Schaeffer Initiative**  
*for Health Policy*