
Year 3 Report February 1, 2018 – January 31, 2019



USC-Brookings

Schaeffer Initiative

for Health Policy

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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 urgent domestic policy challenges. To achieve its mission, the Schaeffer Initiative leverages the data and analytic strengths of the USC Schaeffer Center with the policy and analytic expertise of Brookings. Since its launch in 2016, the Initiative has led the policy discussion on key topics including the Affordable Care Act, Medicare payment and delivery system reform, and drug pricing.

The USC-Brookings Schaeffer Initiative is a collaboration between Economic Studies at the Brookings Institution and the USC 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, Director of Public Policy at the USC Schaeffer Center and the Leonard D. Schaeffer Chair at the Economic Studies program at Brookings, leads the Initiative, working closely with **Loren Adler**, Initiative Associate Director, and **Dana Goldman**, Director of the USC Schaeffer Center.

Strategic Approach



Health and Human Services (HHS) Secretary Alex Azar talked with Initiative Director Paul Ginsburg about proposed reforms to Medicare Part B drug pricing policies.

The USC-Brookings Schaeffer Initiative for Health Policy leverages the data and analytic strengths of the USC Schaeffer Center with the policy and analytic expertise of Brookings.

The USC-Brookings Schaeffer Initiative for Health Policy, now in its fourth year, continues to expand in scope and impact, solidifying its position as a leader in rigorous and insightful health policy research and analysis.

Relying on a unique, bicoastal collaborative approach, the USC-Brookings Schaeffer Initiative for Health Policy promotes health care reforms and policy solutions aiming to strengthen the U.S. health care system. The Initiative includes three core leaders, along with a growing team of 15 scholars who contribute to the portfolio of work. Evidence-based research and policy analysis on salient health policy issues have established the Initiative as a trusted resource to both federal and state officials.

The Initiative focuses on three areas:

- **Assessing the Affordable Care Act (ACA) and Future Health Reform**
- **Maximizing the Value of Innovation in Drugs and Devices**
- **Charting the Course for Medicare and Payment Policy**

The Initiative produces white papers that delve deeply into an issue and develop policy recommendations, shorter analyses of time-sensitive health policy issues, blog posts, perspectives, and public conferences. This approach is coupled with direct engagement through briefings and other meetings with policymakers and other stakeholders from both the public and private sectors. Congressional staff and Administration officials often call on Initiative experts to discuss policy issues.

Impact on Health Policy

The USC-Brookings Schaeffer Initiative for Health Policy experts are proven, vital resources to Congressional and Administration staff as well as high-ranking state government officials.

At the forefront of numerous high-profile health policy issues this past year, Initiative experts have informed decision makers on drug pricing, the Affordable Care Act (ACA), surprise medical billing, delivery system reform, and high provider prices throughout the health care system. Schaeffer Initiative scholars provide technical assistance to policymakers, and are called upon to testify at federal briefings. They also provide recommendations and expert opinions through traditional media, academic literature, blogs, op-eds, and events.

Congressional and Administration Interaction

Over the past year, Schaeffer Initiative experts have had frequent interaction with policymakers in the Administration and Congress on a range of topics including:

- **Loren Adler, Paul Ginsburg, Mark Hall, and Erin Trish** were sought out by and provided regular technical assistance to Congressional staff of both parties on surprise out-of-network billing. Initiative experts offered insights to staff from the four major Congressional committees with purview over health care and from offices that released draft legislation in 2018. Adler and Ginsburg led private briefings for the bipartisan staff of the Senate HELP Committee and House Ways and Means Committee in early 2019, as Congress gears up for potential action on the issue. Hall also assisted House committee staff in drafting a letter to Secretary of Labor, Alexander Acosta, urging regulatory action from the Department of Labor.
- **Matthew Fiedler** and **Loren Adler** briefed Congressional staff on the ACA, the impacts of various Administration actions, and ideas for building on the law, including public option proposals.
- **Paul Ginsburg** briefed the Department of Health and Human Services (HHS) on efforts it could take to reduce prescription drug prices.
- **Dana Goldman** briefed CMS on Part D reforms, and **Erin Trish** provided expert input on Part D patient cost sharing to the Senate Finance Committee and the Congressional Budget Office.



Schaeffer Initiative Fellow Christen Linke Young provided testimony on pre-existing conditions and the ACA at a House Committee on Energy & Commerce hearing.

- **Karen Van Nuys, Geoffrey Joyce, and Dana Goldman** provided assistance to the office of Senator Susan Collins on the bill she sponsored banning gag clauses, protecting patients from paying more in drug co-pays than paying cash. The bill was signed into law by President Trump.
- Following a White House briefing last year on issues relating to provider and insurer competition, **Loren Adler** further participated in a White House roundtable led by NEC and HHS on these issues. **Matthew Fiedler, Paul Ginsburg,** and Adler also provided guidance to Congressional offices on options for provider rate regulation.
- At the request of the White House and multiple agencies, **Matthew Fielder** and **Jason Levitis** provided technical assistance to the Administration on rules relating to health care markets.
- New Schaeffer Initiative Fellow **Christen Linke Young** was brought in by Congressional committee staff to help understand new Section 1332 state innovation waiver guidance.



Initiative experts interact with policymakers and the Administration on a range of pressing topics including surprise medical bills, the ACA, and pharmaceutical pricing.

State and Local Lawmaker Interaction

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

- **Loren Adler** advised state officials working on legislation to address surprise out-of-network billing, including states looking to build on existing laws. He also served as a panelist at an event in New York on a recent law, and advised the National Governors Association (NGA) on issues related to this topic.
- **Paul Ginsburg** had several discussions with New York state officials on state options to enhance certain parts of the ACA. Ginsburg also served as an advisor to NGA on issues related to surprise out-of-network billing.
- **Erin Trish** presented on policy solutions to address surprise medical bills at the National Council of Insurance Legislators' (NCOIL) annual meeting in Oklahoma City.
- **Neeraj Sood** presented on drug pricing transparency to the Oregon Task Force on Fair Drug Pricing.
- **Neeraj Sood** briefed Louisiana Department of Health officials on a novel payment approach to ensure Medicaid access to the hepatitis C cure.
- **Jason Doctor** discussed the use of behavioral nudges to reduce opioid prescribing with the Los Angeles County Board of Supervisors, Cleveland Metro Health, and Baltimore City Health Department.

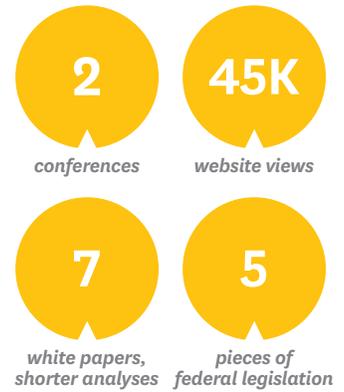
- Nonresident Fellow **Jason Levitis** leveraged his experience leading ACA implementation at the Treasury Department under the Obama Administration to provide technical assistance to states as they grappled with new administrative decisions and policies that were rolled out in 2018 and impacted their ACA Marketplaces. Specifically, Levitis:
 - Advised states considering enactment of a state individual mandate to replace the federal mandate and implementation challenges.
 - Assisted states in understanding the 1332 state innovation waiver process and helped guide multiple states through the application process.

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 over 1,400 policymakers, Hill staff, researchers, and journalists, and consistently receives a very high open rate (on average, 32 percent). The web version of the *Essential Scan* is subsequently posted to the Initiative blog, *USC-Brookings Schaeffer on Health Policy*.

Featured Impact: Surprise Medical Bills

Since 2016, the Schaeffer Initiative has established itself as a premier resource for unbiased information on policies to address surprise out-of-network billing.



With recognized expertise on the topic, Schaeffer Initiative scholars continue to advise Congress, the Administration, and state government staff on the issue, and are regularly sought out by the media, including The Washington Post, NPR, and Fortune.

Building on a successful research project on surprise balance billing from the previous two years, the Schaeffer Initiative published three follow-up pieces this past year. The first two, published on *Health Affairs* blog, analyzed new Senate bills aimed at addressing the issue, including a bill sponsored by a bipartisan group of six senators and a bill from Senator Maggie Hassan.

These analyses have been relied on by media and policymakers to understand the issues at hand and have fostered communication with numerous policymakers about surprise billing legislation. The third, published in *New England Journal of Medicine*, looked at integrated approaches that states can pursue to simultaneously address unfair out-of-network billing stemming from surprises where patients had no choice and from inadequate insurer networks.

Recognized for its leadership in this area, the Initiative was awarded a generous grant from the Laura and John Arnold Foundation to continue to study this policy problem. Scholars

are currently completing work on a new comprehensive piece focused on solutions for states to mitigate balance billing. This will be followed by multiple academic pieces exploring the prevalence of surprise out-of-network billing and the impacts of state laws aimed at mitigating the problem.

With recognized expertise on the topic, Schaeffer Initiative scholars continue to advise Congress, the Administration, and state government staff on the issue, and are regularly sought out by the media. For example, in early 2019 when President Donald Trump announced that surprise medical bills was a policy priority for the Administration, NPR reporters contacted Initiative experts for analysis of the platform and discussion of next steps. In addition health policy legislative aides in Congress continue to reach out to these experts for feedback on policy proposals.

Assessing the Affordable Care Act and Providing Recommendations for Future Health Reform



Building on the reputation earned in 2017, the Schaeffer Initiative continues to cement itself as the “go-to” source for detailed analysis and expertise on the ACA.

Matthew Fiedler, who previously served as Chief Economist at the Council of Economic Advisers in the Obama Administration, published two influential analyses this past year. The first piece estimated what 2019 Marketplace plan premiums would have been under a stable environment, without repeal of the individual mandate and the introduction of short-term plans that do not have to offer coverage to sicker consumers, among other actions that put upward pressure on premiums. The second research publication attempted to identify the coverage increase attributable to the ACA’s individual mandate, taking advantage of coverage gains among the unsubsidized. Nonresident Fellow **Jason Levitis** also published a treatise focused on state approaches and relevant considerations in crafting their own individual mandate to replace the federal one, which has been widely used by state officials.

The Initiative’s newest Fellow, **Christen Linke Young**, has already made an impact, utilizing her legal expertise and experience as Principal Deputy Director of the Center for Consumer Information and Insurance Oversight (CCIIO), which is responsible for overseeing the individual insurance market. In her first piece for the Initiative, Young laid out why the Administration’s relaxed restrictions on State Innovation Waivers might be legally invalid, which was subsequently covered by *The Washington Post*.

In response to the recent proposed rule from the Administration that would allow employer-offered Health Reimbursement Accounts (HRAs) to be used to purchase individual market coverage, **Christen Linke Young**, **Jason Levitis**, and **Matthew Fiedler** wrote a paper and comment letter evaluating the outcomes of the proposal, and concluded that the negative effects to the individual market outweigh the value to employers and their employees. Following this piece, Fiedler conducted an analysis to estimate how the proposed rule might affect individual market premiums if some of its safeguards were weakened, concluding that premiums could rise by anywhere between 16 and 100 percent, depending on how many employers elect to use HRAs.

Mark Hall also continued to contribute to the ACA work as a nonresident senior fellow, producing research using the ACA Network, a team of state-level experts across the country. The report, “Stabilizing and Strengthening the Individual Health



Matthew Fiedler was a panelist at the Initiative event, “(De)stabilizing the ACA’s Individual Market: A View from the States.” Fiedler, Chief Economist at the Council of Economic Advisers during the Obama Administration, wrote several analyses on ACA issues this past year along with Initiative colleagues.

Insurance Market,” was followed by a well-attended and viewed event, “(De)stabilizing the ACA’s Individual Market: A View from the States.” The report looked at ten states with various levels of stability and optimism about their individual markets, and provided potential policy solutions for states. Hall also wrote the most widely read Initiative blog of the year, “Do States Regret Expanding Medicaid?,” which debunked various claims about overblown estimates of the cost of expanding Medicaid. The piece made a splash online, and was tweeted out by Nobel Laureate Paul Krugman.

The Initiative also co-hosted an event with colleagues at the Brookings Hutchins Center on Fiscal and Monetary Policy, aiming to answer the big question – “What’s Ahead for the Individual Insurance Market?” **Matthew Fiedler** provided an overview presentation on where the market stands, followed by a panel discussion on how federal policy changes are affecting the market in the short and long term.

In total, 12 pieces on the ACA were published, and these were the Initiative’s most widely viewed research of the year.

Maximizing the Value of Innovation in Drugs and Devices

Prescription drug policy is at the forefront of political conversation. The Schaeffer Initiative provides innovative, thoughtful analysis for policymakers tackling this multifaceted area.



The Initiative provides a high-profile venue for Administration leaders to discuss pressing health policy issues. Over the past year, the Initiative has hosted FDA Commissioner Scott Gottlieb, HHS Secretary Alex Azar, and CMS Administrator Seema Verma in discussions on Medicare Part B, Medicare Part D, and biosimilars.

The Initiative hosted four high profile events on drug policy, with three featuring leaders from the Trump Administration as keynote speakers. Schaeffer experts also published white papers and perspectives on pharmaceutical pricing issues looking at a range of issues from access to out-of-pocket burden to new payment models.

Karen Van Nuys, Geoffrey Joyce, Rocio Ribero, and Dana Goldman published a research letter in *JAMA* exploring the frequency and magnitude of drug co-payments that exceed paying full price for the drug. The authors expanded on this work in a Schaeffer Center white paper, “Overpaying for Prescription Drugs: The Copay Clawback Phenomenon,” which was shared with policymakers. This work was widely covered in the media including *Kaiser Health News* and the *Los Angeles Times*. Experts briefed both federal and state officials working on

legislative approaches to remedy “gag clauses” that prevented pharmacists from alerting consumers when paying full price would be less expensive than their copay. President Trump signed two bills banning the use of gag clauses by pharmacy benefit managers and pharmacies.

In February, the Schaeffer Initiative hosted an event on patient cost sharing for prescription drugs, one of the most talked about health policy issues of the year. The first expert panel, moderated by **Paul Ginsburg** and featuring Initiative scholar **Erin Trish** and former CBO Director Douglas Holtz-Eakin, discussed options for Medicare Part D benefit redesign. The second, moderated by *The New York Times* correspondent Margot Sanger-Katz, included a debate on different approaches to lower cost sharing for commercially insured patients. This panel featured another Initiative scholar, **Geoffrey Joyce**,

4

conferences

5

journal articles

5

blogs,
opinion pieces



After delivering formal remarks on Medicare Part D reforms, CMS Administrator Seema Verma sat down for a conversation with Schaeffer Center Director Dana Goldman at an Initiative event.

along with a Yale professor, the CEO of the Drug Channels Institute, the Chief Medical Officer from Express Scripts, and a Vice President from Johnson & Johnson.

The Schaeffer Center white paper, “A Perspective on Prescription Drug Copayment Coupons,” whose authors include Joyce, **Karen Van Nuys**, and **Dana Goldman** was presented by Joyce at the conference. This white paper was cited in the Health and Human Services rule (2020) on benefit and payment parameters related to risk adjustments and cost sharing.

In July, the Initiative co-hosted an event with the Hutchins Center on Fiscal & Monetary Policy on how to cultivate a better market for biosimilars. The event featured remarks from FDA Commissioner Scott Gottlieb, followed by a conversation between the commissioner and Hutchins Center director David Wessel. The event attracted over 100 attendees plus 866 web views.

Initiative experts published a study in *Health Affairs* identifying a need for an out-of-pocket cap for Part D beneficiaries who do not qualify for a subsidy and reach catastrophic spending levels. This piece was complemented with a perspective in *STAT* by **Erin Trish** and **Geoffrey Joyce** arguing for an out-of-pocket cap to protect seniors against uncontrolled drug costs that threaten their retirement.

The Initiative continued to be a desirable venue for Administration officials to discuss important drug policy issues in October, when CMS Administrator Seema Verma was welcomed to discuss issues surrounding Medicare Part D reform. Administrator Verma’s remarks were followed by a conversation with Initiative leader **Dana Goldman**, along with an expert panel to discuss the remarks further.

One week after the Seema Verma event, the Initiative hosted Health and Human Services Secretary Alex Azar for the second time of the year to discuss the Administration’s high-profile Medicare Part B drug pricing proposals. The Secretary’s prepared remarks were followed by a scholarly conversation with Initiative Director **Paul Ginsburg**.

Initiative scholar **Neeraj Sood**, along with Diane Ung, Anil Shankar, and Brian Strom, co-authored a piece in the *Annals of Internal Medicine* and a Schaeffer Initiative blog on a new strategy to increase access to hepatitis C treatment for Medicaid beneficiaries, which is now being pursued by the state of Louisiana. With the National Academies estimating that treating everyone with hepatitis C can save 30,000 people by 2030, policies like this proposal offer the potential for huge gains.

Charting the Course for Medicare and Payment Policy

Charting the course for Medicare has been a continuing mission of the Schaeffer Initiative with Paul Ginsburg leading the effort, including six new publications and two events in the past year.



Paul Ginsburg co-authored five of the six pieces published in the past year, with one featured in *Health Affairs* and another in the *New England Journal of Medicine*. The first, co-authored with Initiative scholars **Steve Lieberman** and **Erin Trish**, along with Initiative Associate Director **Loren Adler**, John Bertko, and Joseph Antos, made the case for reforming competitive bidding in Medicare Advantage. Their proposal intends to increase competition, simplify beneficiary choice, and save an estimated \$10 billion annually. The *NEJM* piece, co-authored with Hoangmai Pham, outlines a plan for the future of health system delivery reform, highlighting the need for comprehensive approaches, instead of the piecemeal improvements the system and providers deal with now.

Other pieces include research co-authored with **John Romley** on improving bundled payments in Medicare, a blog post on CMS' positive changes to site-neutral payments and proposals to improve the policy further, and a report on Medicare graduate medical education, which argues that current policy is not doing enough to improve the primary care shortage, and that a radically new approach is needed.

Matthew Fiedler also submitted comments on CMS' proposed rule, "Medicare Shared Savings Program; Accountable Care Organizations – Pathways to Success." Fiedler provided seven main technical improvements to the proposed rule to help increase the potential for success in the Shared Savings Program.

The Schaeffer Initiative also hosted two events focused on Medicare and payment policy. The first, co-hosted with AEI and the Pacific Business Group on Health, invited Health and Human Services Secretary Alex Azar to deliver the keynote address. His remarks were followed by two expert panels. The first focused on private sector payment models and provider innovations that aim to improve health while lowering costs. The second panel, comprised of health policy experts, discussed the adoption of private employer innovations in federal programs.



The Initiative hosted Eric Hargan, Deputy Secretary of Health and Human Services, for a discussion on anti-fraud rules in Medicare and Medicaid that may impede innovation and hold back promising new arrangements. The January event, "Reforming Stark/Anti-Kickback Policies," was followed by a discussion featuring experts in health care payment and delivery systems.

The second event, "Can Medicare's Merit-Based Incentive Payment System (MIPS) be Salvaged," looked at whether MIPS was achieving its objective to encourage providers to deliver higher-quality care. Two panels convened to discuss how the program is currently working, and whether it should be maintained, reformed, or even eliminated. The panels included policy experts as well as Congressional staff members who helped construct the law.

Conferences

11

policy makers and senior officials participated in 2018 conferences

Over the past year, the Schaeffer Initiative has convened several conferences on salient health issues. These events are well attended and typically held at the Brookings Institution in Washington, attracting speakers and audiences of policymakers, media, and stakeholders.

While some of these conferences were briefly discussed in previous sections of this report, the following provides a complete, detailed list of all events held this past year.

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 trend has resulted in patients facing higher out-of-pocket burdens. Two panels convened, first to discuss restructuring the Medicare Part D benefit design, and then to debate the effectiveness of mechanisms to reduce cost sharing for commercially insured patients, specifically copay coupons.

Paul Ginsburg moderated the first panel, joined by Erin Trish, Douglas Holtz-Eakin (American Action Forum), Elizabeth Jurinka (Chief Health Adviser (D), U.S. Senate Committee on Finance), and Nicholas Uehlecke (Professional Staff (R), House of Representatives Ways and Means Subcommittee on Health). *The New York Times* columnist Margot Sanger-Katz moderated the second panel which featured Geoffrey Joyce, Fiona Scott Morton (Yale), Adam Fein (Drug Channels Institute), Elizabeth Fowler (Johnson & Johnson), and Steve Miller (ExpressScripts).

In-person attendees: 119

Media attendees: 5

Webcast live views: 534

What's Ahead for the Individual Health Insurance Market?

March 6, 2018

In partnership with the Brookings Hutchins Center on Fiscal and Monetary Policy, this event featured a brief presentation from Matthew Fiedler, followed by a panel discussion. Panelists included Fiedler, James Capretta (AEI), Sabrina Corlette (Center on Health Insurance Reforms, Georgetown University), Pat Geraghty (CEO, Florida Blue), and Kevin Patterson (CEO, Connect for Health Colorado). Hutchins Center Director

David Wessel introduced the program and Hutchins Policy Director Louise Sheiner moderated. Panelists examined the status of the individual market today, and how pending federal policy changes and states' reactions to them will shape the market's evolution in years to come.

In-person attendees: 101

Media attendees: 10

Webcast live views: 518



Erin Trish presented findings from a study she co-authored focused on the need for an out-of-pocket cap in Medicare Part D at the Initiative conference, "Patient Cost Sharing for Prescription Drugs."

Fixing Health Care: Driving Value through Smart Purchasing and Policy

May 16, 2018

The USC-Brookings Schaeffer Initiative for Health Policy partnered with AEI and the Pacific Business Group on Health for a perspective on fixing the American health care system. Health and Human Services Secretary Alex Azar began the event by outlining the challenges and opportunities for public/private action to fix the American health care system. Secretary Azar also discussed the Administration's agenda on prescription drug pricing.

Next, a panel of private-sector, outside-the-beltway experts discussed potential payment and provider innovations that

seek to lower costs while improving health. Moderated by Paul Ginsburg, panelists included Kevin Bozic (University of Texas), Rushika Fernandopulle (Iora Health), Mai Pham (Anthem), and Jeffrey White (Boeing). A second panel of health policy experts looked at the broader objectives and ways to prompt action. Panelists included Lanhee Chen (Hoover Institution), Chris Jennings (Jennings Policy Strategies), Mark Miller (Laura and John Arnold Foundation), and Gail Wilensky (Project HOPE). Joseph Antos (AEI) moderated the panel.

In-person attendees: 197

YouTube views: 1,176

(De)stabilizing the ACA's Individual Market: A View from the States

July 13, 2018

On Friday, July 13, the USC-Brookings Schaeffer Initiative for Health Policy hosted a conference on strategies for stabilizing the individual market. Keynote speaker Mark Hall presented his research findings on a new study, which examines the recent experience of ten states with respect to individual market stability, including Alaska, Arizona, Colorado, Florida, Iowa, Maine, Minnesota, Nevada, Ohio, and Texas.

Two expert panels followed to discuss the outlook for the individual market at both the individual state and national levels. Moderator Alice Rivlin led a discussion around the experience of four states with panelists Mark Hall, Louise Norris (Colorado Health Insurance Insider), Brad Wright (University of Iowa), and Lynn Blewett (University of Minnesota). Moderating the second panel on the outlook for the individual market was Jason Levitt. Panelists included Sabrina Corlette (Georgetown University), Cynthia Cox (Kaiser Family Foundation), Matthew Fiedler, and Thomas Miller (AEI).

In-person attendees: 99

Media attendees: 6

Webcast live views: 613



Robert Horne, Leavitt Partners, and Ways & Means Committee staffer Sarah Levin joined Matthew Fiedler, Jim Mathews, and Paul Ginsburg in conversation on potential MIPS reforms.

Cultivating a Vibrant U.S. Market for Biosimilars: A Conversation with FDA's Scott Gottlieb

July 18, 2018

Along with the Hutchins Center on Fiscal & Monetary Policy at Brookings, the Initiative hosted Food & Drug Administration Commissioner Scott Gottlieb for a discussion of biosimilars, which have been a major focus of the FDA's efforts to increase competition and choice for patients and the U.S. healthcare system. Following his presentation, Gottlieb was interviewed by David Wessel, Director of the Hutchins Center, and took audience questions. Then a panel of experts reacted to Gottlieb and discussed related issues in the pharmaceutical market.

In-person attendees: 113

Media attendees: 7

Webcast live views: 866



FDA Commissioner Scott Gottlieb discussed ways to enhance the U.S. market for biosimilars at a Schaeffer Initiative event co-hosted with the Hutchins Center on Fiscal and Monetary Policy at Brookings. David Wessel interviewed the commissioner after formal remarks.

Can MIPS be Salvaged?

July 20, 2018

In July, the USC-Brookings Schaeffer Initiative for Health Policy hosted a conference to discuss whether the Merit-Based Incentive Payment System (MIPS) is achieving the desired objectives and whether the program should be maintained, reformed, or even eliminated. Paul Ginsburg introduced the conference and was followed by two expert panels. The first panel, moderated by Kavita Patel, focused on experience with MIPS to date. Panelists included Tim Gronniger (Caravan Health), Aaron Lyss (Tennessee Oncology), Shari Erickson (American College of Physicians), and Valinda Rutledge (Greenville Health System). The second panel discussed whether the program should be reformed or replaced and, if so, how. Led by Paul Ginsburg, panelists included Sarah Levin (Professional Staff Member, House Committee on Ways and Means), Jim Mathews (MedPAC), Matthew Fiedler, and Robert Horne (Leavitt Partners).

In-person attendees: 65

Media attendees: 3

Webcast live views: 303



At the Initiative conference, “A Conversation with CMS Administrator Seema Verma,” Leonard Schaeffer introduced the Administrator. Notably, Mr. Schaeffer led the Health Care Financing Administration, now CMS, earlier in his career.

A Conversation with CMS Administrator Seema Verma

October 18, 2018

The USC-Brookings Schaeffer Initiative for Health Policy welcomed CMS Administrator Seema Verma to discuss issues related to Medicare Part D. Leonard Schaeffer introduced Administrator Verma whose remarks were followed by a conversation with Dana Goldman. A reactor panel followed with Kavita Patel, a nonresident fellow, moderating a discussion with Stacie Dusetzina (Vanderbilt University), Samuel Nussbaum (Washington University), and Geoffrey Joyce.

In-person attendees: 119

Media attendees: 5

Webcast live views: 408

Remarks on Medicare Drug Pricing Proposals by Health and Human Services Secretary Alex Azar

October 26, 2018

U.S. Secretary of Health and Human Services (HHS) Alex Azar was hosted by the Schaeffer Initiative to deliver remarks on proposed reforms to Medicare Part B drug pricing policies. Following his prepared remarks, Azar sat down for a fireside chat with USC-Brookings Schaeffer Initiative Director Paul Ginsburg.

In-person attendees: 80

Media attendees: 8

Webcast live views: 615

Wall Street Comes to Washington

November 14, 2018

Paul Ginsburg hosted the Wall Street Comes to Washington conference, now in its 23rd year, in collaboration with the Jayne Koskinas Ted Giovanis Foundation for Health and Policy. The 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 roundtable 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’s program focused on the various types of vertical integration being pursued across health care and what they mean for future directions in health care financing and delivery. It also examined the role of federal policies in shaping the health care industry. Panelists included Paul Ginsburg, Matthew Borsch (BMO Capital Markets), Ana Gupte (Leerink Partners), and Paul Heldman (Heldman-Simpson Partners).

In-person attendees: 91

Media attendees: 6

Webcast live views: 223

Reforming Stark/Anti-Kickback Policies

January 30, 2019

On January 30, the Initiative hosted Eric Hargan, the Deputy Secretary of Health and Human Services, in a discussion on longstanding anti-fraud rules in Medicare and Medicaid and concerns that they curtail innovation, holding back potentially promising new arrangements. Hargan’s keynote address looked at how regulations implementing those laws might be modified to promote value-based, coordinated, integrated care while protecting taxpayers and beneficiaries from fraud.

Following Mr. Hargan’s remarks, Christen Linke Young moderated a reactor panel. Panelists included Kimberly Brandt (CMS), Bobbie Gostout (Mayo Clinic), Tim Gronniger (Caravan Health), and Kevin McAnaney (Law Office of Kevin McAnaney).

In-person attendees: 76

Media attendees: 11

Webcast live views: 1,311

Media Impact

557
media mentions
this past year

Experts from the Schaeffer Initiative are regularly relied on by media for expert comment on the ACA, pharmaceutical pricing, Medicare, and other salient health policy issues.



Media outlets from the Wall Street Journal to NPR to Forbes call upon Initiative experts for timely research, analysis, and discussion around salient health policy issues.

The Initiative's conference on cost sharing for prescription drugs featured a discussion moderated by New York Times columnist Margot Sanger-Katz, and included panelists Elizabeth Fowler, Adam Fein, Fiona Scott Morton, and Geoffrey Joyce.

Over the past year, Initiative experts had hundreds of mentions in leading outlets including *The Washington Post*, *The Wall Street Journal*, *Los Angeles Times*, *POLITICO*, *NPR*, *NBC News*, *PBS Newshour*, *Bloomberg*, *Forbes*, and *The Hill*, among others. For example, Schaeffer Initiative analysis on premiums by Matthew Fiedler was covered as a featured analysis in *The Hill*. Media mention highlights include:

- **Analysis: Without Trump and GOP, ObamaCare premiums would fall** – Nathaniel Weixel (*The Hill*)
- **The Health 202: Trump says GOP wants to protect preexisting conditions. But a Republican lawsuit would eliminate them if successful.** – Paulina Firozi (*The Washington Post*)
- **Health insurance for dummies: Why we cover pre-existing conditions** – David Lazarus (*Los Angeles Times*)
- **Insurers Game Medicare System to Boost Federal Bonus Payments** – Anna Wilde Mathews and Christopher Weaver (*The Wall Street Journal*)
- **Sending Letters About Their Patients' Overdoses Changes Doctors' Prescribing Habits** – Sara Kiley Watson (*NPR*)
- **Trump Aims To Lower Some U.S. Drug Spending By Factoring In What Other Countries Pay** – Alison Kodjak (*NPR*)
- **Medicare spending on name-brand drugs rose by 77 percent over five years, even as usage fell** – Martha C. White (*NBC News*)
- **Patients Overpay for Prescriptions 23% of the time, USC analysis shows** – Sydney Lupkin (*Kaiser Health News*, *Los Angeles Times*)

Leadership, Scholars, and Staff

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, USC Schaeffer Center; and Professor of Public Policy, USC Price School of Public Policy*



Ginsburg is a well-known health policy expert, frequently called upon by government officials and agencies and the media. Since 2016, he has served as 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, and Economics, USC School of Pharmacy and USC Price School of Public Policy; Nonresident Senior Fellow, Brookings*



Goldman is the author of over 250 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 and the National Academy of Social Insurance, 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*



Adler's research focuses on health insurance markets and provider pricing, and he is regularly called upon for technical assistance by federal and state lawmakers. Previously, Adler spent several years researching health care and fiscal policy at the Bipartisan Policy Center and Committee for a Responsible Federal Budget.

Scholars at Brookings

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

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, 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. In her role as an Initiative advisor and scholar, Rivlin primarily focuses on ACA issues.

Christen Linke Young, JD, *Fellow, USC-Brookings Schaeffer Initiative for Health Policy*

Young's research focuses on the insurance reforms and Medicaid expansion under the ACA, and state and federal policies to promote health care coverage and affordability. She previously served as the Deputy Secretary for the North Carolina Department of Health and Human Services, overseeing the state's Medicaid agency, improving coordination of social service benefits, and supporting child welfare outcomes. Before that, she was the Principal Deputy Director of the Center for Consumer Information and Insurance Oversight, implementing ACA market reforms and overseeing the operation of the federal Health Insurance Marketplace.

Scholars at the 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, USC Price School of Public Policy*

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*

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 & World Report*, *NBC Nightly News*, *CBS Evening News*, *National Public Radio*, and other media.

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

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 health care markets. He is a Research Associate at the National Bureau of Economic Research. Lakdawalla serves as Associate Editor for the *Review of Economics and Statistics*, *The American Journal of Health Economics*, and *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, USC Price School of Public Policy; Associate Professor of Pharmaceutical and Health Economics, USC School of Pharmacy*

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, *Strategic Advisor to the Director, Schaeffer Center; Vice Dean for Research and Professor of Public Policy, USC Price School of Public Policy*

Widely published in peer-reviewed journals and frequently quoted in national media, Sood's work focuses on pharmaceutical markets, health insurance, economics of innovation, Medicare, 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, Schaeffer Center; Assistant Professor, USC School of Pharmacy; Nonresident Fellow, Brookings*

Trish's research focuses on the intersection of public policy and health care markets, with recent projects on surprise medical bills, prescription drug spending, health care market concentration, and health care reform. Her research has been funded by grants from the Robert Wood Johnson Foundation and the Laura and John Arnold Foundation, and published in leading health policy, health economics, and medical journals. She has testified in the California State Assembly and presented her research at numerous federal agencies, including the Congressional Budget Office, Federal Trade Commission, Office of the Assistant Secretary for Planning and Evaluation, and the Center for Consumer Information and Insurance Oversight.

Karen Van Nuys, PhD, *Executive Director of the Value of Life Sciences Innovation project, USC Schaeffer Center; Research Assistant Professor, USC Price School of Public Policy*

Van Nuys's recent research focuses on the social value of novel therapies for heart failure and hepatitis C, the flow of funds in the pharmaceutical distribution chain, and the impact of commercial practices such as copay coupons and copay clawbacks on the utilization and cost of prescription drugs. Her work has been published in leading journals in economics, medicine, finance and health policy, and she is frequently called upon by the media for expert comment.

Contributing Scholars

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

Hall is one of the nation's leading scholars in the areas of health care law, public policy, and bioethics. He has been published in law reviews at Berkeley, University of Chicago, Duke, University of Michigan, University of Pennsylvania, and Stanford, and teaches at the Wake Forest Graduate Program for Bioethics and its MBA program.

Jason Levitis, JD, *Nonresident Fellow, Brookings*

From 2009-2017, 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*

Lieberman has 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 & Medicaid Services. In between government service, Lieberman worked in executive roles at large HMO plans. He is currently President of Lieberman Consulting and a Senior Advisor to the Bipartisan Policy Center.

Kavita Patel, MD, MPH, *Nonresident Fellow, Brookings; Practicing Primary Care Physician, Sibley Memorial Hospital*

Patel, a practicing primary care physician, also serves as an Advisor to the Bipartisan Policy Center and a member of the Health and Human Services Physician-Focused Payment Model Technical Advisory Committee. Previously she worked in the Obama Administration as director of policy for the Office of Intergovernmental Affairs and Public Engagement at the White House. Prior to that Patel was Deputy Director on Health for Senator Edward Kennedy.

Bruce Steinwald, MBA

Steinwald is a health economist with decades of experience in academia, government, and private consulting. He currently operates a small consulting practice in Washington and serves on the Physician-Focused Payment Model Technical Advisory Committee, which advises the Secretary of Health and Human Services on Medicare payment reforms.

Publications

White Papers

Prescription Drug Copayment Coupon Landscape (February 2018) – Karen Van Nuys, Geoffrey Joyce, Rocio Ribero, and Dana Goldman

Overpaying for Prescription Drugs: The Copay Clawback Phenomenon (March 2018) – Karen Van Nuys, Geoffrey Joyce, Rocio Ribero, and Dana Goldman

A Proposal to Enhance Competition and Reform Bidding in the Medicare Advantage Program (May 10, 2018) – Steven Lieberman, Loren Adler, Erin Trish, Joseph Antos, John Bertko, and Paul Ginsburg

Improving Bundled Payments in the Medicare Program (May 24, 2018) – John Romley and Paul Ginsburg

How did the ACA's Individual Mandate Affect Insurance Coverage? Evidence from Coverage Decisions by Higher Income People (May 31, 2018) – Matthew Fiedler

Stabilizing and Strengthening the Individual Health Insurance Market (July 13, 2018) – Mark Hall

How would Individual Market Premiums Change in 2019 in a Stable Policy Environment? (August 1, 2018) – Matthew Fiedler

State Individual Mandates: Hows and Whys (October 28, 2018) – Jason Levitis

Medicare Graduate Medical Education Funding is Not Addressing the Primary Care Shortage: We Need a Radically Different Approach (December 3, 2018) – Bruce Steinwald, Paul B. Ginsburg, Caitlin Brandt, Sobin Lee, and Kavita Patel

Evaluating the Administration's Health Reimbursement Arrangement Proposal (December 11, 2018) – Christen Linke Young, Jason Levitis, and Matthew Fiedler

Effects of Weakening Safeguards in the Administration's Health Reimbursement Arrangement Proposal (December 28, 2018) – Matthew Fiedler

Journal Articles

Frequency and Magnitude of Co-payments Exceeding Prescription Drug Costs (March 13, 2018) – Karen Van Nuys, Geoffrey Joyce, Dana Goldman, and Rocio Ribero, *JAMA*

Financial Burden of Healthcare Utilization in Consumer-Directed Health Plans (April 2018) – Xinke Zhang, Erin Trish, and Neeraj Sood, *The American Journal of Managed Care*

A Novel Strategy for Increasing Access to Treatment for Hepatitis C Virus Infection for Medicaid Beneficiaries (May 15, 2018) – Neeraj Sood, Diane Ung, Anil Shankar, and Brian L. Storm, *Annals of Internal Medicine*

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Payment and Delivery-System Reform – The Next Phase (September 19, 2018) – Hoangmai Pham and Paul B. Ginsburg, *New England Journal of Medicine*

Generic Drug Price Hikes and Out-of-Pocket Spending for Medicare Beneficiaries (October 2018) – Geoffrey Joyce, Laura Henkhaus, Laura Gascue, and Julie Zissimopoulos, *Health Affairs*

A New Model for Pricing Drugs of Uncertain Efficacy (December 13, 2018) – Dana Goldman, Karen Van Nuys, Wei-Han Cheng, et al, *NEJM Catalyst*

Reducing Unfair Out-of-Network Billing—Integrated Approaches to Protecting Patients (January 16, 2019) – Mark Hall, Loren Adler, Paul Ginsburg, and Erin Trish, *New England Journal of Medicine*

Blogs / Comment Letters / Opinion Pieces

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

What to watch for in the individual health insurance market (March 8, 2018) – USC-Brookings Schaeffer on Health Policy blog, Sobin Lee, Will Palmisano, and Paul B. Ginsburg

Do states regret expanding Medicaid? (March 26, 2018) – USC-Brookings Schaeffer on Health Policy blog, Mark Hall

Walmart and CVS have 15,000 combined stores. Why are both trying to buy health insurance companies? (April 10, 2018) – *Los Angeles Times*, Dana Goldman and Erin Trish

Why health price regulations in California are misguided (May 2, 2018) – *The Sacramento Bee*, Erin Trish and Dana Goldman

The case for reforming competitive bidding in Medicare Advantage (May 10, 2018) – *Health Affairs* blog, Steven Lieberman, Erin Trish, Loren Adler, Joseph R. Antos, John Bertko, and Paul B. Ginsburg

Policy brief: A novel strategy for increasing access to Hep C treatment for Medicaid beneficiaries (May 15, 2018) – USC-Brookings Schaeffer on Health Policy blog, Neeraj Sood, Diane Ung, Anil Shankar, and Brian L. Storm

Coverage gains among higher-income people suggest the ACA's individual mandate had big effects on coverage (May 31, 2018) – USC-Brookings Schaeffer on Health Policy blog, Matthew Fiedler

Medicare's catastrophic insurance can be a catastrophe for middle-income seniors (July 23, 2018) – *STAT*, Erin Trish and Geoffrey Joyce

CMS' positive step on site-neutral payments and the case for going further (August 10, 2018) – USC-Brookings Schaeffer on Health Policy blog, Loren Adler, Andres de Loera-Brust, Matthew Fiedler, Paul B. Ginsburg, and Will Palmisano

When we find a cure, price it like Netflix to ensure access (August 13, 2018) – *The Hill*, Dana Goldman

An economist's change of heart: It's time to regulate the prescription-drug middlemen (August 13, 2018) – *MarketWatch*, Geoffrey Joyce

Surprise! Trump might actually lower drug prices (August 28, 2018) – *The Washington Post*, Dana Goldman and Anupam Jena

Analyzing new bipartisan federal legislation limiting surprise medical bills (September 25, 2018) – *Health Affairs* blog, Loren Adler, Paul Ginsburg, Mark Hall, and Erin Trish

Comments on CMS's proposed rule "Medicare Shared Savings Program; Accountable Care Organizations – Pathways to Success" (October 12, 2018) – USC-Brookings Schaeffer on Health Policy blog, Matthew Fiedler

Analyzing Senator Hassan's binding arbitration approach to preventing surprise medical bills (October 19, 2018) – *Health Affairs* blog, Loren Adler, Paul B. Ginsburg, Mark Hall, Erin Trish, and Benjamin Chartock

The opportunities and challenges of data analytics in health care (November 1, 2018) – *Brookings "A Blueprint for the Future of AI" Series*, Paul B. Ginsburg, Andres de-Loera Brust, Caitlin Brandt, and Abigail Durak

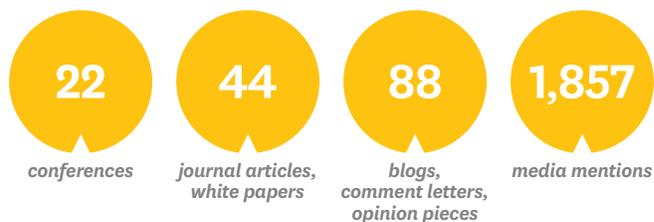
The Trump administration side-stepped rulemaking processes on the ACA's State Innovation Waivers—and it could make their new section 1332 guidance invalid (November 28, 2018) – USC-Brookings Schaeffer on Health Policy blog, Christen Linke Young

Texas ruling over Obamacare is wrong to claim that without the insurance mandate, the health-care law can't survive (December 17, 2018) – *Marketwatch*, Erin Trish

Even if it survives the courts, ObamaCare needs help (January 28, 2019) – *The Hill*, Thomas Priselac and John Romley

Conclusion

In the first three years of the Schaeffer Initiative:



In the three years since its 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 the continuing debate on U.S. health care reform. Building on the successes of work in the first two years of this unique partnership, the Initiative has successfully expanded its reach and impact on the health policy challenges facing 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 and the Schaeffer Center at the University of Southern California.

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.

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