



Weekly Checkup

What Becerra Tells Us About Biden's Health Care Agenda

CHRISTOPHER HOLT | FEBRUARY 26, 2021

This week, California Attorney General Xavier Becerra appeared before two Senate committees reviewing his nomination to lead the Department of Health and Human Services (HHS) in the Biden Administration.

Becerra appears headed for confirmation, albeit by the slimmest of margins, so it's worth considering what his elevation signals about President Biden's health policy agenda.

Becerra has long advocated for Medicare for All, but this week he toed President Biden's line, saying he would be focused on shoring up the Affordable Care Act (ACA) as HHS Secretary, not enacting single payer. Becerra didn't detail a plan to enhance the ACA, but Biden has [endorsed](#) creating a public option, which would likely be sold through the ACA's marketplaces, would be "like Medicare," and would "reduce costs for patients by negotiating lower prices from hospitals and other health care providers."

Biden's public option would also offer "better" care coordination and would cover primary care without copayments. Further, Biden has endorsed making the ACA's premium subsidies vastly more generous as well as lifting the [income cap](#) on who is eligible for them. Both of these [proposals](#) have been included in the reconciliation bill the House is expected to vote on today, but because budget reconciliation rules require that spending increases outside the 10-year budget window be paid for, the provisions are limited to two years.

Biden and Becerra will likely seek to make these changes permanent down the road.

On the Medicare front, Becerra appeared to [target](#) Medicare Advantage (MA) this week, suggesting that while he supports the program—which is extremely popular with seniors—he wants to make sure it competes with traditional Medicare on a "level playing field." He argued that MA plans offer too many extra benefits to seniors, and suggested that because of Medicare's impending financial crunch, MA plans should have their reimbursement reduced. That argument seems somewhat disingenuous as Biden has supported plans to lower the Medicare age, which would have a much more deleterious impact on Medicare's fiscal health than MA spending. **It's also increasingly clear that fee-for-service medicine is not a cost-effective, or particularly health-effective, way to provide care, so ensuring an even playing field is probably the opposite of what we should be doing here.**

Becerra has a [history](#) of opposing the pharmaceutical industry, and Biden has endorsed a number of changes to restrict drug prices that Becerra would be expected to happily pursue. Biden supports repealing the noninterference provision in Medicare Part D (opening the door to the HHS Secretary setting prices), placing restrictions on launch prices for novel therapies, and prohibiting manufacturers from increasing prices faster than inflation as a condition of participating in Medicare. Biden has also endorsed tax penalties on the profits companies make from prices increases higher than inflation, allowing drug importation from Canada, and eliminating business expense tax write-offs for pharmaceutical advertising. As California Attorney General, Becerra has sued drug makers and pharmacy benefit managers on several occasions and has advocated for more government intervention in drug prices. Becerra has also [tangled](#) with manufacturers over the 340B Drug Discount Program.

Becerra has also been aggressive as Attorney General in targeting health industry consolidation. Biden has endorsed using federal antitrust authorities to target market consolidation in the health care industry, so a Becerra-led HHS can be expected to be more litigious.

In sum, Becerra seems ready to embrace Biden's health policy agenda rather than try to push him further to the left. But perhaps the bigger insight is that **Becerra's comfort level with Biden's agenda indicates just how progressive Biden's agenda actually is, even if he has stopped just short of Medicare for All.**

VIDEO

AAF's Christopher Holt explains why the state-level efforts to import foreign price-control regimes are not the solution to high prescription drug prices.

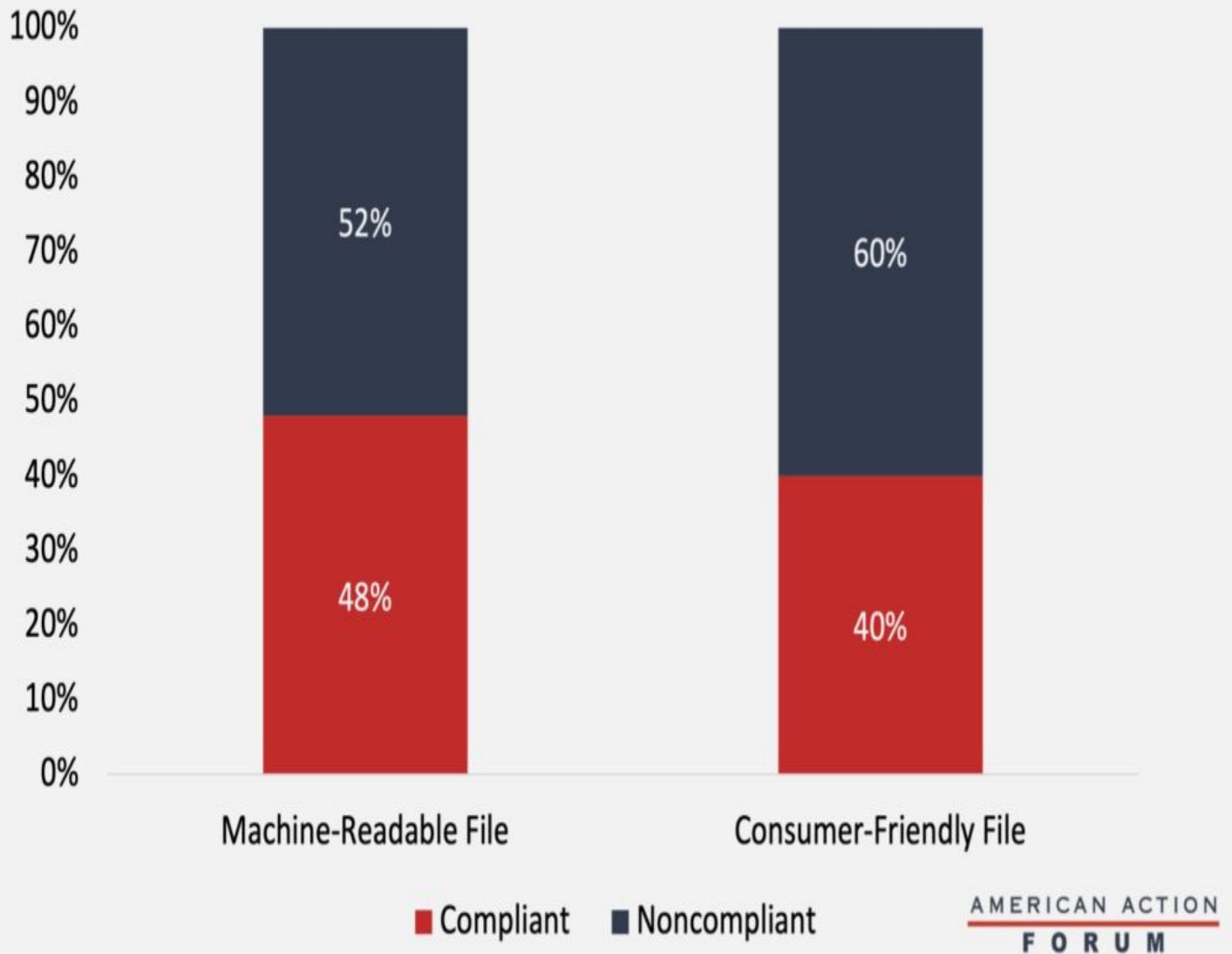
CHART REVIEW: HOSPITAL COMPLIANCE WITH PRICE TRANSPARENCY REQUIREMENTS

Madeline VanHorn, Health and Human Welfare Policy Intern

Effective January 1, 2020, the Centers for Medicare and Medicare Services (CMS) and the Department of Health and Human Services [established new requirements](#) mandating hospitals to make their standard charges public, including prices negotiated with insurers. The rule requires a public machine-readable file that includes five different charge estimates, including hospital gross charges and payer-specific negotiated charges for all items and services offered. In addition, hospitals must provide a consumer-friendly file or price tool that includes four of these charge estimates for [300 of their shoppable services](#). These efforts to improve price transparency are intended to help patients to make more informed decisions about their care, and [some experts believe](#) they could help to drive down rising care costs. Other [experts](#), however, question how useful this information will be to patients and whether it will really decrease costs. There is a [penalty of \\$300 per day](#) for hospitals that fail to adhere to the regulation, though this is not a significant fine for many providers.

An [analysis of 1,000 hospitals](#) across the United States found that 48 percent of the machine-readable files and 40 percent of the consumer-friendly files were noncompliant with the guidelines, as seen in the chart below. While larger hospitals were more likely to meet specifications, many were not compliant with either file requirement.

Hospital Compliance with CMS Price Disclosure Requirements, 2021



Source: [Guidehouse](#)

TRACKING COVID-19 CASES AND VACCINATIONS

Ashley Brooks, Health Policy Intern

To track the progress in vaccinations, the Weekly Checkup will compile the most relevant statistics for the week, with the seven-day period ending on the Wednesday of each week.

Week Ending:	<u>New COVID-19 Cases:</u> <u>7-day average</u>	<u>Newly Fully Vaccinated:</u> <u>7-Day Average</u>	<u>Daily Deaths:</u> <u>7-Day Average</u>
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Feb. 24, 2021	66,347	437,704	2,047
Feb. 17, 2021	76,740	672,624	2,687
Feb. 10, 2021	103,584	639,340	3,009
Feb. 3, 2021	134,466	438,365	3,013
Jan. 27, 2021	161,857	304,819	3,297

Source: Centers for Disease Control and Prevention

Note: The U.S. population is 330,101,370.

FROM TEAM HEALTH

Prescription Drug Price Controls and State-Level Policymaking – *Christopher Holt*

State-level efforts to impose price controls on prescription drugs are likely to face the same problems as similar policies at the federal level.

Daily Dish: State-by-State Drug Policy Threats – *AAF President Douglas Holtz-Eakin*

A successful state-by-state effort to establish a *de facto* national standard would inflict significant damage on innovation and access to drugs.

WORTH A LOOK

Reuters: Pfizer-BioNTech testing booster of their COVID-19 vaccine in new trial

New York Times: For Some Teens, It's Been a Year of Anxiety and Trips to the E.R.