

CALIFORNIA RHEUMATOLOGY ALLIANCE

LEGISLATIVE NEWSLETTER

ISSUE 8 | JULY 2014

Make Your Voice Heard: Join the CRA Advocacy Committee

The CRA Advocacy Committee is expanding and welcomes new members. No experience required; just well-intended ideas! Minimal time is involved.

Co-Chairs Dr. Robin Dore and Dr. Martin Berry invite you to join the CRA Advocacy Committee, which advances CRA's mission to advocate for patient access to rheumatology care. Participating in the committee is a fantastic way to learn about legislative proposals that affect you, your practice and your patients, and have your opinions heard and acted upon.

Recognizing you have a busy schedule, the committee is supported by an Executive Director who conducts research, analysis and outreach for you, and contacts the committee with brief correspondence on key, timely issues, thus allowing the committee to review and approve of policy positions, letters to legislators and monthly newsletters in relatively little time.

Interested in joining the Advocacy Committee or testifying on behalf of the CRA at state legislative committee hearings? Please contact Amanda Chesley, JD, Executive Director, by phone at (847) 264-5930 or email at amanda@wjweiser.com. Your support will allow us to further CRA's mission.

Invite Your Legislators to Your Practice During the Congressional Recess

Members of Congress will be home in their districts during the August recess. Arrange for legislators to visit your practice. A first-hand tour of your facility is the most effective way to educate an elected official on the exceptional care you provide your patients and the importance of protecting patient access to rheumatology care. While meeting with your Congresspersons, encourage their support of repealing the Sustainable Growth Rate (SGR), reforming the Medicare payment system for physician services and increasing patient access to medication. Visit fixmedicarenow.org for talking points on SGR repeal. For guidance on how to plan a legislator visit or for more information on pending legislation, please contact Amanda Chesley, JD, Executive Director, by phone at (847) 517-7225 or email at amanda@wjweiser.com.

Lawsuit Filed to Stop Implementation of Cal MediConnect Program for Dual Eligibles

The Los Angeles County Medical Association (LACMA) recently filed a lawsuit to stop the implementation of the Cal MediConnect program for Medicare/Medi-Cal dual eligibles. The 2012 state budget authorized the Coordinated Care Initiative (CCI), which would allow dual eligible individuals to receive medical, behavioral, long-term support and services and home and community-based services coordinated through a single health plan in eight counties, including Los Angeles. The Initiative involves a three-year dual demonstration project known as Cal MediConnect, transitioning 456,000 dual eligibles away from fee for service into managed care.

www.calrheum.org



California
Rheumatology
Alliance

Twitter:
[@CalRheum](https://twitter.com/CalRheum)

website:
www.calrheum.org

In This Issue

- CRA Advocacy Committee
- Congressional Recess: Invite Legislators to Your Practice
- Lawsuit Filed to Stop Cal MediConnect Program
- Sunshine Act Compliance
- Protect MIRCA: Vote No On 46
- Law Expands Insurers' Cost Reporting
- Prescription Drug Diversion Measure Passes US House
- Formulary Transparency Bill Moves Forward
- Step Therapy/Fail First
- Annualizing Prescription Drug Cost Sharing
- State Takes Steps to Address Work Force Shortages

Twitter: [@CalRheum](https://twitter.com/CalRheum)

Members of the State Senate wrote to the Department of Health Care Services (DHCS) in March, urging the state to delay implementation of Cal MediConnect in Los Angeles County until 2015, citing a multitude of concerns including delayed mailing of notices and LA Care's ineligibility to receive passive enrollment until it improved its CMS star rating. Despite these issues, Cal MediConnect began passive enrollment of dual eligibles on June 26. Patients with serious health issues are "being passively assigned away from their current doctor to one of five medical groups that likely do not understand their conditions, medical histories, physical limitations and social needs," according to LACMA. A CRA Fact Sheet will be released shortly.

In response, LACMA and three independent living centers in Los Angeles filed a lawsuit in Sacramento Superior Court on July 7 to halt Cal MediConnect's implementation, alleging it is not legally authorized since DHCS failed to obtain timely federal approval as required by state law. The court could potentially invalidate the project unless the state legislature reauthorizes it.



Rheumatologists, Allies Address Burden of Sunshine Act Compliance

Several national specialty medical organizations, including the Coalition of State Rheumatology Organizations (CSRO), petitioned the Centers for Medicare and Medicaid Services (CMS) on July 28 to provide details on the context that will be included in the Physician Payments Sunshine Act data release, increase educational efforts and simplify physician registration requirements.

First and foremost, CMS is being urged to provide physician and industry stakeholders information describing how context will be provided to the public when the Sunshine data is made available this September. Rheumatologists fear there is potential for the data to be misinterpreted by the public similar to the Medicare payment data released earlier this year. CSRO Treasurer Dr. Gregory Schimizzi, testifying on behalf of the Alliance for Specialty Medicine before Congress, voiced concern that members of Congress may not realize "all of unintended consequences and

mischaracterizations that may result from the release of such information or how easily this information can be misused." A request has been made for CMS to preview the proposed contextual information sought to accompany the public release of the Sunshine Act data with physicians.

CMS is also being called on to provide guidance and simplify the registration process through the Open Payments system, which opened on July 14. Physicians have found the multi-step process to register and preview data cumbersome and overly personal, as they are required to submit various personal identifiers.

Dr. Schimizzi additionally asserted that the review and dispute process lacks necessary protections for physicians. CMS has long maintained its obligation is to publicly post information, not facilitate conversations as part of the dispute process. The Open Payments dispute resolution mechanism, opened on July 14, is limited and forces discussions between physicians and manufacturers to take place off-line. In response, Dr. Schimizzi testified CMS must "ensure an impartial process for disputing the accuracy of financial information intended for public disclosure." Physician and industry stakeholders alike hope CMS remedies these issues prior to the data being made available to the public in a few weeks.

Protect MICRA: Vote No On 46!

California's landmark Medical Injury Compensation Act (MICRA), which places a \$250,000 limit on the amount of non-economic damages a plaintiff can receive in a medical liability case, is being challenged through a ballot initiative—Proposition 46—this November. Proposition 46 would increase the current MICRA cap on non-economic damages to adjust for inflation over the decades since its passage. In addition, the proposition calls for drug testing of physicians and requires that a state-wide prescription database be consulted prior to prescribing certain controlled substances.

CRA is strongly opposed to Proposition 46 and is active in coalitions seeking to defeat it this November. Fact sheets, talking points and a number of other "No On 46" campaign resources are now available online at www.noon46.com. Stay up-to-date on the campaign by following its [Twitter](#) and [Facebook](#) accounts. Health care practitioners also have the opportunity to request patient outreach materials, including pamphlets and posters, through the providers' section of the campaign [website](#).



New Law Expands Insurers' Cost Reporting to Include Providers

Governor Jerry Brown signed legislation into law expanding various quality and cost data transparency measures covering hospitals and facilities to include any provider or supplier. The new law now prohibits contracts issued, amended or renewed after January 1, 2015, between health insurers or plans and providers from restricting the plan's ability to report information to consumers or purchasers on the cost range of a procedure or full course of treatment or the quality of services performed. Insurers and health plans will thus be able to share the cost of procedures or treatments, including professional or diagnostic services or prescription drugs, with beneficiaries. Providers will have at least 30 days to review the methodology and data used in public reports.

Prescription Drug Diversion Measure Passes US House

Shortly before adjourning for August recess, the US House passed a bill that would require the Secretary of Health and Human Services (HHS) to report on how to coordinate state and federal efforts to curb prescription drug diversion while protecting access for patients with legitimate needs. The proposed "Ensuring Patient Access and Effective Drug Enforcement Act" would also grant the US Attorney General power to quickly intervene when a controlled substance is being easily abused, posing significant risk of bodily harm or death, and prevent supply chain diversion. HR 4709, cosponsored by Rep. Judy Chu of California, now moves to the Senate.

CRA-Supported Formulary Transparency Bill Moves Forward

Formulary information is not currently available on California's health insurance marketplace—Covered California—compelling consumers with chronic health conditions in need of prescription coverage information to go directly to each insurer they are considering. The formulary information posted online and how it is displayed vary widely from insurer to insurer. California SB 1052 (Torres) seeks to make formularies easier to understand and simplify the process. The Departments of Managed Health Care and Insurance would be responsible for creating a standard template to display formularies, including prior authorization or step edit requirements and range of cost sharing for each drug on the formulary. All formulary information would then be posted to Covered California's website with a search by drug function, creating a one-stop shop for consumers. This CRA-backed legislation previously passed the Senate and will be heard in an Assembly committee on August 6.

Calling All Members: Share Your Experiences with Step Therapy/Fail First

An increasing number of insurers are utilizing step therapy and fail first policies in California. CRA supports legislation limiting these policies, ensuring that patients have access to their life-saving medications and streamlining administrative simplification for physician practices. This August, the Senate is expected to consider legislation that would prohibit health plans from requiring a patient to try and fail on more than two medications before allowing a physician's preferred treatment for the patient. CRA voiced strong support for AB 889 (Frazier) last year and celebrated the Assembly's passage of the bill in May, 2013. CRA encourages the Senate to vote in favor of this patient-minded measure.

Physicians, nurses, practice managers and patients are encouraged to share their challenges and experiences with step therapy with the CRA. Visit the [CRA website](#) to [Share Your Story](#). Your story will be sent directly to the CRA Executive Director, who will review it and contact you before sharing it with members or legislators.

State Senate Expected to Vote on Annualizing Prescription Drug Cost Sharing

The California Senate is expected to vote on CRA-supported legislation annualizing prescription drug cost sharing by mid-August. Current law imposes an annual out-of-pocket limit for covered essential benefits, including prescriptions, of \$6,350 for an individual or \$12,700 for a family during 2014. As a result, rheumatic patients may be faced with exhausting their entire annual out-of-pocket limit filling a single specialty prescription in the first month.

CRA has voiced its [support](#) of legislation (AB 1917), which will ease the heavy financial burden on patients for specialty medications by allowing them to budget and plan for the cost of their care over the course of the year. AB 1917, as amended, would require that any co-pay or co-insurance for a 30-day supply of a single outpatient self-administered prescription drug not exceed 1/12 of the annual out-of-pocket limit or about \$530 for the 2014 plan year. Prior to summer recess, the Senate Health Committee passed the bill, which will be heard during suspense in August.

States Take Steps to Address Work Force Shortages

As policymakers learn about the burgeoning bottleneck between medical school graduation and graduate medical education, a number of novel approaches to physician training have launched from state capitals. Not surprisingly, many of these solutions pit providers against one another amid concerns about patient safety and the dilution of professional standards.

With a stated goal of "churning out" doctors more quickly and with less debt, California AB 1838 was signed by Governor Jerry Brown July 18. The new law allows students to complete their education and become doctors in three years instead of four. The University of California and the Medical Board of California supported this alternate track for "students who demonstrate a high level of scientific and medical understanding."

A more controversial plan to tackle the med school-residency bottleneck was signed July 10 by Missouri Governor Jay Nixon. The first-of-its-kind law allows medical school graduates who have passed licensing exams – but not completed residencies – to practice primary care and prescribe drugs in rural and under-served areas of the state. They would be overseen by licensed physicians, who would have to be physically present with them for a portion of their tenure. The proposal was endorsed by the Missouri State Medical Association, but the American Medical Association and organizations of physician assistants strongly opposed the creation of a new category of medical licensee: MD assistant physician.

Make sure to check out the CRA Website and Twitter to stay updated with news and CRA activities! If you have any CRA member updates, an article or item of interest you would like considered for publication online, please send submissions to amanda@wjweiser.com.