

ALERTS

Health And Human Services Secretary Azar Discusses Medicare, Medicaid Priorities

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New Health and Human Services Secretary Alex Azar spoke by live-stream recently to the staff of the Centers for Medicare and Medicaid, outlining his priorities for the agency.

His first area of focus is drug pricing. Specifically, Secretary Azar referred to a five-point, 10-year plan regarding Part D. Some particular action items he referenced included trying to create incentives to keep pricing flat, pulling forward rebates with a goal of getting at least one-third of available rebates to consumers at the point-of-sale, and establishing a genuine cap for out-of-pocket expenditures for consumers in catastrophic situations. He also desires to change the current catastrophic situation dynamic, in which CMS covers 80% of the cost, private insurance covers 15% and the consumer covers the remaining 5% to a paradigm where private insurance would cover 80% and CMS would cover 20%, leaving the consumer with no additional out-of-pocket. Azar said he believes this change in structure will lead to private-market insurers placing more pressure to keep drug prices stable and, in turn, saving CMS money.

The second area of focus Secretary Azar highlighted was making insurance more affordable and more available throughout the country. He noted that 40% of Americans' healthcare flows through CMS in some fashion and CMS accounts for fully one-quarter of the federal budget. From that standpoint, Secretary Azar indicated CMS could be an industry leader and in a position to help drive this initiative.

Thirdly, CMS is going to focus on value-based healthcare reimbursements as a change from its current procedure-based methodologies. This will entail more focus on positive outcomes and quality of healthcare, rather than quantity of services. Again, Secretary Azar noted that with such influence in the healthcare arena, CMS was in a good position to lead these changes.

Finally, combatting the opioid epidemic is a major area of focus. As the secretary noted, the U.S. did not get into this epidemic quickly and the U.S. will not solve it quickly. With 116 Americans dying every day from an opioid overdose, he said the focus of CMS and all national healthcare entities has to be on finding causes and helping to implement countermeasures that are effective and that have a positive impact.

Following his prepared remarks, Secretary Azar and CMS Administrator Seema Verma held a Q&A session. Overall, his remarks and his answers were reportedly very positive and forward-looking. He emphasized the need to "reimagine" the agency and specifically mentioned that he favored "highly engaged teams" that were positioned to maximize delivery of service to the customer. He stated that he expected his tenure at

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Health and Human Services to be one focused on teamwork, implementation, courage to do the right thing, and discipline to remain focused on the goals and implementation of improvements.

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