

## Reporters Panel: Insights from the Northern Virginia Health Policy Forum

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Applied Policy, a leading authority in health policy and regulation, proudly sponsors the Northern Virginia Health Policy Forum. The Forum brings together key thought leaders, government officials, and industry experts to discuss critical trends in the American healthcare landscape.

On April 24, 2024, Jonah Comstock, Editor-in-Chief of *pharmaphorum*; Ben Leonard, Congressional Healthcare Reporter at POLITICO; and John Wilkerson, Washington Correspondent at STAT News, joined the Forum to share their insights on what is ahead in healthcare for Congress, providers, patients, and the industry. Jim Scott, President and CEO of Applied Policy, led the wide-ranging conversation.

To start the discussion, Scott polled the panelists regarding issues they are most closely monitoring. Leonard noted that his focus was on Congress and that he was tracking the future of pharmacy benefit manager (PBM) reform as well as temporary, or possibly permanent, telehealth waiver extensions. Wilkerson said he follows similar issues and the BIOSECURE Act, designed to prevent foreign powers, specifically China, from accessing American health records. Comstock, who covers the pharmaceutical industry, said that he was tracking developments in gene therapy and the current Medicare drug price negotiations.

### CONGRESSIONAL ACTIVITIES

With all members of Congress and one-third of senators up for reelection, Scott asked the reporters about the likelihood of a change in party leadership in either house. Wilkerson noted that both parties are “laying the groundwork” for working with the other side if the balance of power shifts. Comstock expects the Senate to be a tough battle for the Democrats to hold but not impossible. He observed that, regardless of the outcome, the party holding the White House will be the dominant factor in the healthcare agenda. Leonard agreed that it will be hard for the Democrats to hold the Senate and noted that the House will be more difficult to predict.

Either way, Leonard said, a divided government is likely. However, Wilkerson pointed out that the lame-duck session will offer an opportunity for bipartisan work on issues such as reforms to PBMs, site-neutral payment, and Medicare physician payment. Comstock added that he expects efforts to keep the pharmaceutical industry from gaming biosimilars.



With government funding set to run out on September 30, panelists discussed what they anticipate from Congress as it races against the shutdown deadline. Leonard said that he expects another temporary stopgap spending bill, agreeing with Wilkerson that a lot will hinge on the outcome of the elections.

## **PBM REFORM**

Noting his neutrality, Comstock said, “PBMs have always been a popular punching bag for drug prices,” and pharmaceutical companies have long pointed to them as culprits for extracting profits from the healthcare system. Comstock added that while PBMs add value to the system, there could be a good chance of reform if that specific value can be identified.

## **MEDICARE PHYSICIAN PAYMENT SYSTEM**

The Medicare physician payment system has been under increased scrutiny as providers call for reform to address consistent reimbursement cuts. Scott noted that Congress must counteract the cuts from Medicare almost every year. Wilkerson responded that physicians actually received a pay increase this year but were dissatisfied because it was a smaller pay increase than the prior year. Wilkerson expects that Congress will revisit this at some point, adding that “we are not in as dire a situation as we were in the past.” Leonard agreed that the issue will get attention this year because of the way the payment system is structured.

## **ARTIFICIAL INTELLIGENCE**

In discussing the future of artificial intelligence (AI) in healthcare, Wilkerson said, “I think it almost goes without saying ... It’s enormous, and I don’t think we know what we’re dealing with yet.” Hospitals, insurers, providers, and rehabilitation care employ AI, and the government “is just now trying to get its hands around it.” As pharmaceutical companies increasingly use AI in drug development, Comstock expects to see the first drugs coming through this pipeline to the market soon. He added that these companies use AI in marketing, to streamline processes, lower prices, design clinical trials, and generate consent forms. However, Leonard does not expect any future administrative or congressional action to regulate AI soon.

## **TELEHEALTH**

Leonard discussed the future of telehealth as we near the expiration of pandemic-era telehealth flexibilities and waivers. He said there is “no doubt that there will be at least a temporary extension.” He added that some lawmakers are concerned that there is not adequate data to prove the value of telehealth, and that could hinder a permanent extension. Other lawmakers are concerned that providers will be incentivized to push patients into virtual-only care without a face-to-face option. He noted, however, that the future of telehealth will likely depend on cost.

## INTERNATIONAL COMPETITION

Wilkerson is watching to see whether the U.S. and China will engage in a race over biotechnology, or if the focus will remain on protecting American genetic information from falling into the hands of the Chinese military or government. He observed that escalating tension between the two countries could affect Americans, possibly resulting in drug shortages, given the number of drugs made in China.

## DRUG PRICE NEGOTIATION

The Inflation Reduction Act (IRA) gave the Centers for Medicare & Medicaid Services (CMS) the authority to directly negotiate drug prices with pharmaceutical companies. With industry legal challenges to the IRA having failed and CMS having selected the first 10 drugs for negotiation, Comstock said the industry is going to “have to figure out how they are going to live with it.” He observed that there could be less innovation, or manufacturers might raise other prices to make up for the lost revenue. Wilkerson concurred, saying that drug makers may be tempted to launch at higher prices because they are no longer allowed to raise prices once on the market without penalties.

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*This extract was prepared by Applied Policy®. The entire program can be found on our YouTube [page](#).*

