NOTEWORTHY

This is National Hospital Week!
This year's theme is Healthcare from the Heart. To quote Milton Johnson, HCA's President & CEO, it is, "a time when we dwell upon our more than 230,000 HCA employees across our enterprise, who every day pursue our mission of the care and improvement of human life.

As you go to work today, and every day, remember that what you do makes a difference. To our physicians, nurses and other clinical staff, and to the thousands of you who support our caregivers, to everyone who helps care for and improve the lives of our patients, we say thank you for all you do to help us provide healthcare from the heart."

HHS Contest to Bring About a Hospital Bill You Can Understand
On May 9, Health and Human Services (HHS) announced a competition seeking new designs for medical bills that will make them easier to understand. Under the initiative, called A Bill You Can Understand, HHS will award two $5,000 prizes: One for creating the "easiest bill to understand" and another for developing the "best transformational approach to improve the medical billing system." The winning designs will be implemented or tested by six health care organizations. HHS Secretary Sylvia Mathews Burwell said the "challenge is part of HHS' larger effort to put patients at the center of their own health care."

FEDERAL

• Senate Finance: Physician-Owned Distributorships Need More Safeguards
• House Passed First Opioid Bills on Way to Larger Package
• Governor's Urge Congress to Come to Agreement on Zika Funding

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FEDERAL

Senate Finance: Physician-Owned Distributorships Need More Safeguards

The Senate Finance Committee released a new report that concludes surgeons who participate in Physician-Owned Distributorships (PODs) tend to perform more surgeries. For instance, surgeons in PODs performed nearly twice as many spinal-fusion surgeries (91%) as non-POD surgeons, and experts have raised questions over whether the procedure is medically necessary, especially for seniors. The report notes that doctors with a POD ownership stake may be motivated by the possibility of profit, given that PODs are intermediaries between device-makers and providers, and owners receive commissions on additional sales. The report said, that this "present[s] an inherent conflict of interest that can put the physician's medical judgment at odds with the patient's best interests."

The report by Senate Finance Committee Republicans analyzes the trend in which doctors have ownership interests in commercial entities that act as intermediaries between medical-device makers and hospitals. The surgeons generally get a commission on each sale, which may lead them to perform excessive or unnecessary operations in order to steer business to themselves. The doctor-owned distributorships are most common in spinal surgery and were operating in at least 43 states. The report says they may...
spending in the commercial insurance market, the national health costs increased 6.5 percent in 2015. The report's data is drawn from commercial health insurance plans' payments to providers and is faster pace than the 4.3 percent cost increase that S&P found in 2014. Overall, S&P says that in the commercial market in 2015:

- Medical services costs increased by 4.3 percent
- Drug costs increased by 15.8 percent, although there was a significant split between the increases in brand-name drug costs (19.2 percent) and generic drug costs (6.6 percent)

Presidential Primary Results for May 10

**NEBRASKA**
- **Democrats**
- **Republicans** Trump, 61%;

**WEST VIRGINIA**
- **Democrats** Sanders, 51%; Clinton, 36%;
- **Republicans** Trump, 77%;

Delegate Leaderboard

On the Republican side, Donald Trump has been declared the presumptive Republican nominee after Senator Ted Cruz and Ohio Governor John Kasich both suspended their campaigns last week. However, Senator Cruz has stated that he will not surrender his delegates until the convention. Mr. Trump must still receive 1,237 delegates to win the nomination and he currently has 1,134.

On the Democratic side, the nominee must earn 2,383 delegates to receive the party's nomination. Currently, Former Secretary of State Hillary Clinton has 2,240 delegates and Senator Bernie Sanders has 1,473.

also be operating in other fields.

The committee's report outlines a number of recommendations. It says federal law should require doctors to disclose any ownership they or family members have in private device companies to hospitals where they practice, as well as to patients. The authors of the report also call on federal agencies to boost enforcement actions, and they say the Centers for Medicare and Medicaid Services (CMS) and the Health and Human Services (HHS) Office of Inspector General (OIG) should examine whether current guidance about doctor-owned distributorships needs to be tightened.

The Inspector General of the Health and Human Services Department, which last year also issued a report on the topic, in 2013 issued a special fraud alert warning that the distributorships are “inherently suspect.” The Department of Justice has pursued claims in recent years against the entities for alleged kickbacks and unwarranted surgeries. The Senate Finance panel's report is the culmination of several years of work on the issue. The panel held a hearing last fall on the organizations and five years ago the panel examined the issue, concluding the trend was on the upswing.

In the meantime, some hospitals have been implementing policies to restrict their relationships with the distributorships. There is also little evidence the PODs are complying with financial-disclosure requirements imposed by CMS and some hospitals, the report said. That makes it more difficult for hospitals to identify which of their doctors are in such arrangements.

House Passed First Opioid Bills on Way to Larger Package

The House has passed the first of the 18 opioid bills with amendments that make up the large package slated for votes this week. The Rules Committee made a total of 26 amendments in order on the two main pieces of legislation that will be on the floor for consideration on May 11-12. Not included was the Democrats' sought-after measure to include $600 million in emergency funding for the Zika epidemic. After the voting concludes, the bills will be packaged together and most likely conferenced with the Senate-passed Comprehensive Addiction and Recovery Act (CARA), with the goal of final approval this summer.

Governor's Urge Congress to Come to Agreement on Zika Funding

The National Governors Association (NGA) says Congress should quickly approve funding for U.S. Zika response efforts before the virus begins to spread in this country via local transmission.

While the Zika virus is primarily spread by infected mosquitos from travel outside the United States, according to the CDC, they expect local transmission of the virus to begin in the States this spring, as temperatures rise and mosquitos emerge.

The Obama administration has requested $1.9 billion in funding for Zika-
related initiatives; however, the House has yet to act on the request. The Senate circulated a $1.1 billion supplemental funding measure, but amid opposition from some lawmakers, progress on that measure has stalled.

The NGA released a statement on May 9, calling on federal lawmakers to approve funding for U.S. Zika response efforts before the virus begins to spread via local transmission in the country. The NGA did not specify a spending amount, but did request that they reach an agreement "expeditiously as possible to ensure those funds are available to states, territories, and the public at large."

STATE

Tennessee

The "3-Star Healthy Project"
The "3-Star Healthy Project" Task Force, created by Speaker Beth Harwell (R-Nashville) to develop experimental pilot programs to make health care more efficient and to increase access to care for the uninsured, met for the first time last week. The leader of the task force, Representative Cameron Sexton (R-Crossville), says that the Task Force will be developing its own proposal, as opposed to adopting Insure Tennessee. Task Force members are looking for ways to roll out a pilot program to assist uninsured Tennesseans without going immediately to full Medicaid expansion. At its Nashville meeting, the Task Force discussed various provisions of expansion including charging people premiums for coverage and offering incentives to see a doctor. They also discussed the legislature's desire to suspend expansion if it costs more than expected.

On May 9, a meeting was held in Memphis where the Task Force heard from a panel of interested parties including hospitals, physicians, and small business owners. The members of the committee are still working on their plan, which would phase in expansion of the current TennCare program. They heard from the Church Health Center about their program, and the concept of contracting directly with providers for care. They continue to discuss behavioral health needs as well. The Task Force meets next in East Tennessee on May 19.

April Revenues Up
According to an announcement by the Department of Finance and Administration Commissioner Larry Martin, Tennessee tax revenues exceeded budgeted estimates in April. Commissioner Martin announced that overall April revenues were $1.8 billion, which is $185.0 million more than the state budgeted.

"Total reported revenues in April reflect significant improvement over this time last year in both sales and business taxes," Martin said. "While franchise and excise taxes and income tax revenues are typically large in the month of April, much of the state's revenue growth is a result of strong sales taxes, reflecting consumer confidence in Tennessee."

For more revenue information click here.
Virginia

Restoration of Voting Rights
On April 22, Governor Terry McAuliffe (D) signed an executive order restoring the voting and civil rights of 206,000 Virginians who were convicted of felonies, served their time, and completed any supervised release, parole or probation requirements. Since the order was executed, more than 2,100 of those previously barred from voting have already registered to vote, and the Secretary of the Commonwealth reports receiving more than 150 requests for verification of voter eligibility per day.

In response to the Governor's action, Republican lawmakers announced that they have hired Attorney Charles J. Cooper (a former Assistant Attorney General under President Ronald Reagan) and plan to file a lawsuit contesting the executive order, however, taxpayer funds will not be used for the legal challenge.

Health Care and the Presidential Campaign
At a campaign stop in northern Virginia on May 9, Hillary Clinton met with a small group of residents and reiterated her support for a government-run health plan in the insurance market and for a public option that would allow Americans who are not yet of retirement age to buy into Medicare. She also discussed her proposal to ease the cutoff point for the Affordable Care Act subsidies, which the law makes available to Americans making 400 percent of the federal poverty level, stating "People shouldn't lose all their benefits once they get to a certain income level".

HCA - UK

London Elects Labour Mayor, Sadiq Khan
Following a robust election campaign, the Labour Party has regained control of City Hall for the first time in eight years as Sadiq Khan defeated the Conservative Party candidate, Zac Goldsmith, to become Mayor of London. The decisive victory reflects Labour's popularity in London, where 45 of London's 73 constituencies were held by Labour in last year's General Election.

Khan's main manifesto policies include: affordable housing for average and low earners, freezing transport fares, neighbourhood policing to tackle knife crime, and extending existing policy to improve London's air quality. Khan is generally viewed as a pragmatic politician and during his campaign distanced himself from Labour leader, Jeremy Corbyn, by saying labour needs to extend its popularity beyond core voters to be successful in major elections.

Unlike in Manchester, the Mayor of London does not control healthcare policy, budgets, or delivery.