## Three Minute Read™

Insights from the Healing American Healthcare Coalition™

## August 2022-3 SPECIAL EDITION



From the Editor: The World Health Organization defines health as "A state of complete physical, mental and social well-being and not merely the absence of disease or infirmity." The three laws enacted earlier this month have the potential to do more to improve the health of ordinary Americans than any bill since the Affordable Care Act was passed in 2010. The article summaries in this Special Edition of TMR focus on them. To access each article, just click on the headline.



Biden signs chips and science bill into law, by Morgan Chalfont and Alex Gangitano, The Hill, 8/9/22

**TMR Topline** – President Biden signed the \$280 billion CHIPS and Science Act, calling it a "once in a generation investment in America itself," and said the bill will create good jobs, employ workers, grow the economy, change the course of human health and disease, lead the world in future industries and protect US national security. With semi-conductor chips used in everything from cars to cellphones to weapons, the legislation attempts to solve the supply chain challenges laid bare by the Covid-19 pandemic, when a global chip shortage caused delays in automobile and electronics production.

**TMR's Take:** As the healthcare leaders at Deloitte have pointed out, 50% of medical devices have a semiconductor ranging from blood pressure cuffs to MRIs. Disruptions to the chips supply chain have forced medtech companies to develop workarounds. At one time, 37% of the global chip supply was made in the US. Offshoring to cheaper venues has dropped it to 12% and left the country vulnerable to supply chain disruptions.



After 'a Lot of Doors Shut in Our Face,' Crusading Couple Celebrate Passage of Burn Pit Bill, by Michael McAuliff, Kaiser Health News, 8/9/22 TMR Topline – Army Captain LeRoy

Torres returned to Texas in 2008 from Irag, already starting to suffer from the toxic substances he'd inhaled from a 10-acre burn pit in Balad. Rushed to the ER hundreds of times and denied benefits by the Department of Veteran Affairs, he lost the job he loved as a Texas state trooper and took his fight all the way to a Supreme Court victory. Most veterans — nearly 80% — who experience symptoms after leaving the service get denied what's known as a service connection when they seek help from the VA. They must prove their breathing problems or cancers came from the toxic trash smoke they breathed overseas. His wife Rosie discovered a Facebook group that she used as the basis for a new advocacy group, Burn Pits 360. With help from Jon Stewart and 9/11 survivors' advocate John Feal, they met with Sen. Kirsten Gillibrand who agreed to introduce legislation to remove the obstacles for the most common illnesses and eliminate the burden of proof on ill former soldiers. Rep. Paul Ruiz sponsored PACT in the House.



Biden signs burn pit exposure health bill into law, by Leo Shane III and Jonathan Lehrfeld, Military Times, 8/10/22

TMR Topline – President Biden has signed the Promise to Address Comprehensive Toxics (PACT) Act making millions of veterans eligible for expanded health care access and disability benefits related to burn pit smoke and other toxic exposures. It will require the Department of Veterans Affairs to hire hundreds of new workers and open several new medical sites to handle the increased workload. Biden said it will provide needed relief to individuals still suffering the wounds of war years after leaving the battlefield and cost \$300 billion over the next ten years. At the signing, VA Secretary Denis McDonough directed veterans to VA.gov/PACT to learn more.

TMR's Take: At \$801 billion for FY23, the US spends more on defense than the next 9 nations <u>combined</u>, yet neglects its defenders. Remember <u>Agent Orange</u> that affected roughly 400,000 Vietnam vets? Until 1991's Agent Orange Act mandated that some illnesses be treated as the result of wartime service, those veterans had to prove that their disease was service-related.



The Inflation Reduction Act is a Milestone Achievement in Lowering Americans' Health Care Costs, by Lovisa Gustafson and Sara Collins, The Commonwealth Fund. 8/15/22

TMR Topline –Last year's American Rescue Plan Act increased premium subsidies in the ACA marketplaces. When Medicare Part D was passed in 2003, it included a prohibition on the federal government negotiating drug prices. The IRA extends the subsidies for another three years and allows the government, under Medicare Parts B and D, to negotiate prices for 10 drugs beginning in 2026. Despite the late start, it is estimated to save \$100 billion over the next 10 years. The law also institutes inflation caps in Medicare Part D that limit price increases for drugs year over year and it caps Part D premium cost growth at 6% from 2024 to 2029. Starting in 2025 the \$2,000 annual cap on Part D spending will help the 1.4 million Medicare patients who spend more than that each year, including people who need high cost cancer drugs.



Big Pharma Went All In to Kill Drug Pricing Negotiations, by Arthur Allen, Kaiser Health News, 8/12/22

TMR Topline – PhRMA spent over \$100 million this year to unleash a massive team of 1,500 lobbyists on Capitol Hill in an all-out assault to prevent passage of the IRA, using their go-to trope that it would kill innovation. Brigham and Women's Hospital's Dr. Aaron Kesselheim said such warnings "constitute the pharma response in literally every instance since 1906." It was used in 1993 to try to derail President Clinton's Vaccines for Children Program. It passed and in the next 16 years childhood vaccination rates climbed. The bill provides funding for CMS to create a drug negotiation program, setting in motion a system of cost-benefit evaluations like those used in Europe to guide price negotiations. Dr. Vincent Rajkumar, a Mayo Clinic oncologist, noted that most investment in cancer is for drugs that provide marginal benefits at a high price. If

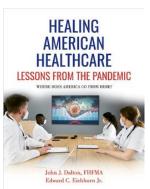
forced to negotiate, "maybe the companies would spend their R&D funds on something more meaningful," he said.



Biden signs massive climate and health care legislation, by Zeke Miller and Seung Min Kima, Associated Press. 8/16/22

TMR Topline – The \$793 billion Inflation Reduction Act includes \$375 billion over the decade to fight climate change, the biggest such investment in US history. For Medicare recipients, starting next year it caps the cost of insulin at no more than \$35/month and in 2025 caps out-of-pocket prescription drug costs at \$2,000 per year. It includes \$64 billion to help 13 million people pay premiums over the next three years for privately bought health insurance under the ACA. Starting in 2026, Medicare would gain the power to negotiate its drug costs for 10 drugs, increasing to 60 drugs by 2029. The IRA is paid for by new taxes on large companies and stepped-up IRS enforcement of wealthy individuals and entities, with additional funds going to reduce the federal deficit. It passed the House and the Senate with no Republican support.

**TMR's Take:** The IRA passage has dented Big Pharma's armor, but the battle has just begun. Stephen Ubl, its CEO, said "this fight isn't over," promising that Democrats who voted for the bill "won't get a free pass." While prescription drug prices in the US average 2.56 times higher than in other OECD countries, Big Pharma is unrelenting in preventing free market competition from reducing drug costs for all Americans. Its top priority is not patients, but profits and patent protection. **TMR** applauds these baby steps to reduce drug costs for some Americans and hopes that corporate America's plan administrators push to do likewise for the commercially insured population. If these bills are implemented as enacted, ten years from now ordinary Americans should be enjoying a better state of health as the country moves closer to universal access



to quality healthcare for all.
CHIPS is an important first step
to implement one of the
"Lessons from the Pandemic"
from the Healing American
Healthcare Coalition's new
book, available in both softcover and eBook versions.
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