



DECEMBER 20, 2016 BACKGROUND

Rep. Tom Price, M.D. Nominee for HHS Secretary

INTRODUCTION

Throughout Dr. Price's tenure in Congress, health care policy has been a top focus, stemming from his career as an orthopedic surgeon. This brief background memorandum highlights Dr. Price's policies and statements made recently in the House of Representatives. Additional commentary from public sources has been added to further elucidate his perspective on certain issues. This backgrounder seeks to summarize and highlight information about Dr. Price, taken from public sources:

NOMINATED POSITION

Secretary of Health and Human Services (HHS)

NOMINEE

Representative Thomas E. "Tom" Price, M.D. (R-GA-06)

EDUCATION

B.A. and M.D. from the University of Michigan, Orthopedic Surgery residency at Emory University

AGE

62

PROFESSION

Orthopedic surgeon and United States Congressman from Georgia since 2005

- Chairman of the House Budget Committee, 2015-present
- Member of the House Ways and Means Committee and its Health Subcommittee, 2011- present
- Former Chairman of the Republican Study Committee (conservative Republican bloc), 2011-2012
- Former Chairman of the Republican Policy Committee, 2009-2010
- Former Georgia Senate Majority Leader, 2003 (first Republican Majority Leader in the history of Georgia)
- Worked nearly 20 years in private practice in Georgia as an orthopedic surgeon
- Former Assistant Professor at Emory University School of Medicine
- Former Medical Director of the Orthopedic Clinic at Grady Memorial Hospital in Atlanta

FAMILY

Married to Elizabeth, an anesthesiologist. They have one son.

SUMMARY OF KEY ISSUES

- Patient Protection and Affordable Care Act (ACA): Sponsored the Empowering Patients First Act, a Republican
 alternative to the ACA. Strong advocate for ACA repeal, and has introduced detailed "repeal and replace" plans every
 Congress since 2009. The details of those plans have included:
 - Providing tax credits for individuals (based on age, not income) to purchase private insurance
 - Allows individuals in Medicare, Medicaid, Tricare, and VA plans to opt-out and receive this credit instead;
 - Allowing the sale of insurance plans across state lines;
 - Providing states with grants to subsidize high risk pools for individuals with pre-existing conditions;
 - Limiting the amount companies can deduct from their taxes for employee health insurance; and/or
 - Expanding health savings accounts.
- Medicare: Supports moving the current system from "defined benefit" to "defined contribution," in which government
 provides assistance for purchasing private insurance; supported the Medicare Access and CHIP Reauthorization Act
 of 2015 (MACRA) but critical of some aspects of its implementation.
- Medicaid: Supports block grants to the states approach; supports work requirements for able-bodied participants; introduced legislation to repeal ACA-related Medicaid expansion.
- Center for Medicare and Medicaid Innovation (CMMI): Critical of mandatory demonstration projects and agency overreach, recently led a letter urging agency to stop all current and planned mandatory projects.
- Children's Health Insurance Program (CHIP): Voted against 2009 reauthorization bill (with majority of Republicans who opposed its expansion provisions), supports reforms toward premium assistance.
- Advocates for Medical Malpractice Reform.
- Opposes federal funding for abortion and Planned Parenthood.

POLICY POSITIONS

ACA

Staunch advocate for repeal, has introduced (and updated) a bill to repeal and replace every Congress since 2009.

- Latest iteration: <u>H.R. 2300, Empowering Patients First Act</u>
 - Repeals the ACA, effective as of their enactment. This bill replaces those provisions with amendments to the Internal Revenue Code, the Public Health Service Act, and the Employee Retirement Income Security Act of 1974 (ERISA) to address health care coverage.
 - Provides for refundable tax credits for health insurance coverage and health savings account (HSA) contributions.
 - Raises the annual HSA contribution limit, expands eligibility for tax-deductible HSA contributions, and allows HSAs to be used to pay periodic or capitated primary care fees.
 - Limits the amount of an employer's contribution to health coverage that can be excluded from the employee's taxable income.
 - Provides a grant to each state for high-risk pools or reinsurance pools to subsidize health insurance for high-risk populations and individuals.
 - Prohibits funds, tax credits, and tax deductions to pay for an abortion or health coverage that includes abortion, with exceptions.
 - Provides for the establishment and governance of independent health pools, entities that form risk pools to offer health insurance coverage to their members.

- Includes the Small Business Health Fairness Act of 2015
 - » Provides for the establishment and governance of association health plans, which are group health plans sponsored by business associations that meet certain ERISA certification requirements.
 - » Allows health insurers offering individual coverage to deny coverage to an individual, outside of open enrollment periods. Preexisting conditions may be excluded from coverage under certain conditions.
 - » Requires individual health insurance coverage to be governed by the laws of a state designated by the health insurance issuer.
 - » Directs HHS to issue clinical practice guidelines. The bill specifies how these guidelines may be used in a health care lawsuit.
 - » Bans HHS from using comparative effectiveness research or patient-centered outcomes research to deny coverage of an item or service under a federal health care program.
 - » Amends title XVIII (Medicare) of the Social Security Act to permit Medicare beneficiaries to contract with a physician or practitioner for covered health care and submit a claim for payment under Medicare.
 - » Exempts health care professionals from federal and state antitrust laws in connection with negotiations with a health plan to provide health care items or services.
- Additional Information:
 - » Price's Empowering Patients First Act Gets Better with Age
 - » Price Statement on Medical Device Tax Repeal
 - » House Republicans Weekly Address: Tom Price on A Better Way for Health Care
 - » JAMA Forum: 3 Congressmen's Views on ACA's Flaws, Alternatives for Health System Reform
 - » Op-Ed: Obamacare is failing. Let's try a Better Way.

CMMI

Critical of a CMS agency CMMI created by the ACA, which has the job of testing new delivery and payment systems.

- Noted that the broad powers vested in CMMI and the agency's interpretation of that authority have the potential to further degrade Congress' lawmaking authority by shifting decision-making away from elected officials and into the hands of unelected individuals.
- Believes the agency has in effect enacted changes to the Medicare and Medicaid programs circumventing Congress itself.
 - Additional Information:
 - » Price letter asking CMMI to delay the implementation of its Comprehensive Care for Joint Replacement (CCJR) mandatory payment bundle.
 - » Price letter CMMI to cease all mandatory initiatives.

Medicaid

Supports turning Medicaid into a block grant program with the aim of giving states more control and flexibility over the program.

- Price's plan would require 'able-bodied' beneficiaries to meet work requirements to receive benefits.
- Price would allow individuals to opt out of Medicaid, Medicare, or Veterans Affairs coverage—and instead use tax credits to purchase private plans.

Medicare

- Supports switching Medicare from a "defined benefit" to a "defined contribution," under which the government would give beneficiaries financial assistance to help them buy private coverage.
- Supports increasing flexibility in reporting requirements and minimizing administrative burdens.
 - Introduced bill in the 114th Congress (H.R. 3940) to authorize blanket hardship exemption for 2015 Meaningful Use Stage 2 reporting period due to the delay in timely publication of the rule.
 - Urged CMS Administrator Slavitt to reinstate the 90-day meaningful use reporting period (to replace the one year reporting period) at a Ways and Means Subcommittee hearing, cosponsor of a bill to do so.
- Supports increasing access to home health care.
 - Introduced bill in the 113th Congress (H.R. 5110) to replace ACA home health cuts with a value-based purchasing program
 - Introduced bill in the 114th Congress (H.R. 6226) to impose a one year moratorium on CMS' pre-claim review demonstration for home health care
 - » "Many seniors and sick patients rely on home health care, which is oftentimes the most clinically appropriate, cost effective setting for treatment," said Congressman Tom Price, M.D. "CMS's demonstration project is jeopardizing their safety by delaying or disrupting access to that care. Not only is this new system an entirely inefficient use of Medicare resources, it will also threaten access to home health services for thousands of seniors. The PUSH Act establishes a one-year moratorium on this harmful demonstration project to protect those who rely on home health care." (Press Release)
- Supports reforming competitive bidding program for durable medical equipment (DME).
 - Introduced bill in the 114th Congress (H.R. 5210) to delay the implementation of cuts to DME reimbursement rates in rural areas.
- Supports allowing "Medicare beneficiaries to contract with any physician (or practitioner) outside of Medicare rules at rates agreed to by the patient and physician or practitioner – providing more choices, increasing the number of physicians accepting Medicare patients, attracting more physicians into the medical profession, while helping to preserve the Medicare program with patient-centered care."
 - Introduced bill in the 114th Congress (H.R. 1650) "to establish a Medicare payment option for patients and eligible professionals to freely contract, without penalty, for Medicare fee-for-service items and services, while allowing Medicare beneficiaries to use their Medicare benefits."
- Opposes proposed Medicare Part B Drug Payment Model.
 - "The proposed policy unilaterally mandates a one-size-fits-all approach that experiments with the lives of patients. Government bureaucrats should not influence treatment options based solely on cost; treatment should be based on the patient's individual clinical needs." (Press Release)
 - Price letter to CMS demanding proposed rule be withdrawn. (Letter)
 - Additional Information
 - » Price Statement on CMS Proposed Rule to Reinstate 90-day Electronic Health Record Reporting Period
 - » <u>Price Introduces Legislation with Bipartisan Support to Protect Patient Access to Durable Medical</u> <u>Equipment</u>
 - » Price letter requesting the HHS Inspector General conduct a study of the impact on senior health of the program
 - » Price letter to CMS demanding Part B proposed rule be withdrawn

Medicare Access and CHIP Reauthorization Act (MACRA)

- Voted for the bill, but "deeply concerned" about final rule and implementation.
- Led GOP Doctors Caucus letter urging CMS to address "a number of multi-layered, high-level concerns" prior to the release of the final rule.
 - The letter outlines a number of concerns and solutions, including:
 - » The Merit-based Incentive Payment System (MIPS) must engage clinicians with a reporting system that is not overly burdensome, a scoring system that is simple and transparent, attainable thresholds, and a workable quality/payment feedback loop to provide physicians with timely information.
 - » CMS should lower its patient minimum reporting thresholds to help reduce administrative burden for small practices and allow for flexibility in quality reporting.
 - » The MACRA statute included the concept of virtual groups to help assist small practices; however, CMS proposes not to implement virtual groups until the 2018 performance period. Without this assistance, small practices face even greater challenges when attempting to adapt to the MIPS program structure.
 - » CMS should also broaden its MIPS exclusion for providers who treat a low volume of Medicare patients.
 - Additional Information:
 - » Price Statement in Response to Final MACRA Rule
 - » GOP Doctors Caucus MACRA Letter

Children's Health Insurance Program (CHIP)

- Voted against 2009 reauthorization bill (with majority of Republicans who opposed expansion provisions).
 - Additional Information:
 - » Floor speech during 2007 reauthorization debate citing fraud within program and disagreement with design

Prescription drug prices

- Expressed his disagreement with the federal government interfering in drug pricing, stating that federal government negotiations result in fewer drugs on formularies.
 - Additional Information:
 - » Floor speech expressing opposition to government negotiating/setting drug prices

Marijuana legalization

- Opposes medical and recreational use.
 - Price's record includes:
 - » Going against a measure that would prevent the Department of Justice (DOJ) from interfering with state recreational marijuana laws.
 - » Voting six times against amendments preventing the DOJ from interfering with state medical marijuana laws.
 - » Voting three times against a measure that would allow Veterans Affairs doctors to recommend medical marijuana to veterans who might benefit from it.
 - Supports a limited measure preventing the DOJ from interfering with states that allow the medical use of

cannabidiol, a non-psychoactive chemical component of marijuana that shows promise in treating some forms of epilepsy. He also has voted to ensure that federal funds are not used to hinder research into industrial uses of hemp.

CONGRESSIONAL RESPONSE TO NOMINATION TO DATE

The nomination of Dr. Price has garnered broad, enthusiastic support from Congressional Republicans, conservative political organizations, and medical and hospital associations. Congressional Democrats, progressive political organizations, and some dissenting medical association members have expressed strong opposition to the nomination, specifically citing their disagreement with Dr. Price's positions on the ACA, reforming Medicare, Medicaid, and CHIP, abortion, and the role of government generally in health care. Democratic Senators have asserted that they will press him on these issues during the confirmation hearings. There is agreement amongst most commentators that Dr. Price is well-qualified for the role, with a deep understanding of both the health care profession and government health care programs.

Elected officials

- House Speaker Paul Ryan (R-WI-01): "This is the absolute perfect choice. Tom Price has made health care his life's work. As a doctor, he has practiced and taught medicine, and he knows exactly how Washington's decisions affect patients. As a legislator, he has played a leading role in developing conservative health care solutions that put patients first. We could not ask for a better partner to work with Congress to fix our nation's health care challenges. I'm so happy for Tom and his family, and I commend President-elect Trump for this excellent nomination." (Press Release)
- House Majority Leader Kevin McCarthy (R-CA-23): "Dr. Price is a great choice and uniquely qualified to run the
 Department of Health and Human Services. For years he has been a leader in Washington creating health care
 policies that put patient choice and affordability at the center. His experiences as a doctor, legislator, and Chairman of
 the Budget Committee will make him an invaluable asset in the Trump Administration." (Press Release)
- Incoming Senate Majority leader Chuck Schumer (D-NY): "He is going to get a lot of very strong and very thorough questions about the kinds of things that he has proposed." He added, "And if he sticks with them, I think there's a chance that his nomination will fail." (McClatchyDC)
- Senate Finance Chairman Orrin Hatch (R-UT): "Congressman Price has been selected for this crucial HHS post because of his experience as a respected physician and deep understanding of the health law and its flaws... As Republicans chart the course to repeal and replace the health law with patient-centered reforms that increase access to care and reduce costs, both Tom and Seema [Verma] will play an integral role in leading the effort." (Press Release)
- Senate Finance Ranking Member Ron Wyden (D-OR): "Given Chairman Price's past health proposals, I have grave concerns with what his policies would do to Americans. I intend to give his nomination a full and thorough review in the coming weeks, and I look forward to encouraging him to pursue policies that protect and strengthen the Medicare guarantee, strengthen critical safety net programs for children and families, preserve high quality care for the 73 million Americans benefiting from Medicaid and CHIP, and maintain non-discrimination rules in health care." (Press Release)
- Senate Finance Health Subcommittee Ranking Member Debbie Stabenow (D-MI): called Price "someone who supports dismantling Medicare, slashing Social Security, gutting women's health services, and eliminating health care for 20 million people." (Press Release)
- Senate Health, Education, Labor, and Pensions Ranking Member Patty Murray (D-WA): "There's no question that Congressman Price and I have stark differences in our views about the direction our health care system should take.
 I plan to ask him detailed questions about whether he would strengthen health care for families or aim to implement the partisan, deeply harmful vision President-elect Trump campaigned on and has threatened to carry out during his Presidency." (Press Release)

WHAT OTHERS ARE SAYING

Think tank, advocacy, and political organizations

- Robert Moffit, Senior Fellow, Center for Health Policy Studies, Heritage Foundation: "It is hard to imagine a candidate more qualified to serve in this crucial position, especially at a time when America's health care economy is undergoing a major transition. He is not only a well-schooled expert in the nuances of complex public policies, but also an excellent communicator and debater." (Daily Signal) "It's a very, very big signal to both the House and the Senate that the Trump administration is very serious about this issue." "Remember that Tom Price is an orthopedic surgeon, so I think what we're looking at is a surgical approach to the Affordable Care Act. I don't think what you will see is any kind of massive disruption. I think the major concern right now for those of us in health policy is that we are already facing a massive instability in the insurance markets, particularly in the small group and the individual markets." (PBS)
- Neera Tanden, President and CEO, Center for American Progress: "Rep. Tom Price is not qualified to serve as the Secretary of Health and Human Services. His ideas are so extreme and out of touch with the mainstream that he shows no concern for improving the health and livelihood of working Americans. He supports taking health care away from millions of Americans, discriminates against the health needs of women, denies the dignity of LGBT people, and wants to gut programs that support low-income working families." (Press Release)
- John Hudak, deputy director of the Center for Effective Public Management and senior fellow in Governance Studies, Brookings Institution: "Price has a long voting record of opposing the [modest] marijuana policy reforms that have come to a vote in the House of Representatives," "Price is a physician and the medical community broadly has been conservative about the use of medical marijuana and nearly universally opposes it for recreational use." (Washington Post)

Hospital and medical associations

- Patrice Harris, M.D., Chair, American Medical Association (AMA) Board of Trustees: "The American Medical Association strongly supports the nomination of Dr. Tom Price to become the next Secretary of Health and Human Services (HHS). His service as a physician, state legislator and member of the U.S. Congress provides a depth of experience to lead HHS. Dr. Price has been a leader in the development of health policies to advance patient choice and market-based solutions as well as reduce excessive regulatory burdens that diminish time devoted to patient care and increase costs. We urge the Senate to promptly consider and confirm Dr. Price for this important role." (Press Release)
- Rick Pollack, President and CEO, American Hospital Association (AHA): "As health care continues to evolve and as care becomes more patient centered, Dr. Price's experience both as a surgeon, along with practicing at Emory University and Grady Memorial Hospital, makes him uniquely qualified to lead the Department of Health and Human Services (HHS). He has spent most of his career working in hospitals as an orthopedic surgeon, and his experience as a provider of care will serve patients well in this new role. We have worked with him as a member of the House Ways and Means Committee and as Chairman of the House Budget Committee. His clinical knowledge along with his congressional experience make him an impressively qualified candidate for HHS secretary. We look forward to working with him in his new capacity to advance better health for the patients and communities we serve." (Press Release)
- Gerald R. Williams, Jr., M.D., President, American Association of Orthopaedic Surgeons (AAOS): "Dr. Price has
 decades of leadership on health care policy issues and firsthand experience caring for patients for nearly twenty
 years. He has worked closely with AAOS on issues including repeal of the Medicare sustainable growth rate formula,
 oversight of mandatory bundled payment models, increasing flexibility within electronic health record programs,
 defending important in-office ancillary services, and protecting the patient-physician relationship. He has been an
 indispensable voice within the House Republican Doctors Caucus, making significant contributions to health policy
 reform and furthering the interests of patients. And he has been one of the most important champions in improving
 the care of patients in the specialty, rural, and small or solo practice settings." "Upon confirmation by the Senate, we
 look forward to working with Dr. Price to continue to address these important issues. AAOS stands ready to assist
 Dr. Price in further developing a health care system that meets the need of patients and the physicians who care for
 them." (Press Release)

In the News

The District Policy Group Senior Advisor Phil Gingrey has known Dr. Price for more than 25 years, which spans their time as medical practitioners in Georgia and service together in both the Georgia State Senate and in the U.S. House of Representatives. In a column for *The Hill*, Phil, who represented Georgia's 11th congressional district from 2003 to 2015, discusses Dr. Price's strong qualifications to be HHS Secretary. <u>Click here to read The Hill column</u>.

About the District Policy Group

The District Policy Group is a bipartisan team of lobbyists and public policy professionals who have advanced client interests before the legislative and executive branches of government at the federal and state levels. The District Policy Group is a boutique lobbying practice within Drinker Biddle & Reath LLP—a prominent law firm, with a 160-year history and 600 lawyers across 11 offices.

The District Policy Group is different from other lobby shops in Washington, D.C. We are former Hill staffers and former in-house lobbyists. We jump into the substance and become experts on our clients' issues, concerns, cultures, policy positions, and advocacy agendas. With each representation, we customize our counsel and support to the individual needs of the client, factoring in internal resources, desired level of assistance, and particular policy goals. As a result, all of the insight, information, and recommendations we provide are relevant and tailored, and strategically advance our clients' respective interests.

We maintain close relationships with members of Congress, congressional and federal agency staff, and have numerous connections to staff and leaders entering the new administration. We are uniquely qualified to help clients navigate the rapidly changing political and health policy world.

Primary Contacts



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Ilisa Halpern Paul leads the District Policy Group and has more than 25 years of experience in government relations, advocacy, and policymaking in non-profit, academic, federally-funded, and government settings. Ilisa's practice centers on advising clients with respect to advancing their federal legislative, regulatory and programmatic policy agendas. Her work has earned her the recognition as one of The Hill's Top Lobbyists of 2015 and 2016, as well as a feature story in *The Hill* regarding her rise to success.



The Honorable J. Phillip Gingrey, M.D., Senior Advisor

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Phil Gingrey is a senior advisor in the District Policy Group at Drinker Biddle. Dr. Gingrey is a former U.S. Congressman who served Georgia's 11th congressional district from 2003 to 2015. Given his medical background and local, state and federal public policy careers, he is uniquely positioned to provide public policy and government relations counsel to clients on issues related to health care, energy and environment, education, communications, and life sciences.

Throughout his 12 years in Congress, Dr. Gingrey served on numerous influential committees, including the House Committee on Energy & Commerce and its Health Subcommittee, the Committee on Education and the Workforce, and the Committee on Armed Services. In the 110th Congress, Dr. Gingrey was a Ranking Member of the Science Subcommittee on Technology and Innovation.

During his congressional tenure, Dr. Gingrey authored, sponsored and won passage of several major initiatives, including the bipartisan Generating Antibiotic Incentives Now (GAIN) Act, the Green Chemistry Research and Development Act, the bipartisan Runaway, Homeless, and Missing Children Protection Act, the United States Fire Administration Reauthorization Act of 2008, the Protecting Access to Healthcare Act and the Help Efficient, Accessible, Low-cost, Timely Healthcare (HEALTH) Act.

In 2009, Dr. Gingrey founded the GOP Doctors Caucus, which brings together medical professionals in Congress to discuss and introduce legislation concerning the most pressing health care matters. The Doctors Caucus advises House Leadership on health care reform, offers solutions to critical health issues and serves as a sounding board to other Members on health policy. Dr. Gingrey served as the co-chair of the Caucus from 2009-2015.

Prior to serving in Congress, Dr. Gingrey served two terms in the Georgia State Senate from 1999 to 2003. He entered politics when he ran for the Marietta School Board in 1993 and was elected chairman three times.



Jodie Curtis, Executive Vice President

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Jodie Curtis focuses on policy, appropriations, and regulatory issues. She has more than 20 years of experience in government, Congressional affairs and representing the legislative and regulatory interests of for-profit, non-profit, and global organizations.

Jodie is adept at fostering relationships with elected officials and their staff, working the federal appropriations and authorization processes, building coalitions, and developing public policies and setting organizational priorities. She also has a long record of success in planning and executing Hill Days for hundreds of participants and organizing creative grassroots campaigns. Jodie also advises clients on developing a strategic plan to meet their public policy goals. Jodie, a frequent lecturer, regularly provides training programs to teach citizens about their government and how to be effective advocates at the local, state, and federal levels.

Prior to joining the firm, Jodie served as an assistant director with Planned Parenthood Federation of America (PPFA), deputy chief of staff for U.S. Representative Thomas M. Barrett (D-WI), executive assistant for U.S. Representatives Lynn Rivers (D-MI) and Peter Barca (D-WI), and district director/legislative assistant for Wisconsin State Senator Barbara Ulichny. She credits her interest in politics to her high school civics teacher and an internship for a State Representative of Wisconsin. Jodie received her bachelor's degree from the University of Wisconsin-Madison.



Laura H. Phillips, Partner, Drinker Biddle

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Laura H. Phillips has been a leader in the telecommunications market for more than 25 years. She counsels wireless and wired technology entrepreneurs on issues related to the development of new technologies, including the development of spectrum auctions, network interconnection, access, universal service and Voice over Internet Protocol (VoIP). She also represents clients in regulatory matters stemming from communications service convergence, the growth of wireless services and the Internet.

Laura is chair of the firm's Government and Regulatory Affairs Practice Group and she counsels clients on managing government mandates, government enforcement, hearings and a range of communications law, business and policy compliance matters. In addition to administrative litigation, she advises technology clients on emerging FCC issues, among them telemarketing, USAC audits and disabilities access. She also counsels clients on regulatory billing matters, acquisitions, mergers and other business issues.

As a practice group leader, Laura's goal is to make sure that clients receive the most efficient, effective service possible. She holds a certificate in Fundamentals of Legal Project Management from the Legal Project Management Institute.

Laura is heavily involved in the Federal Communications Bar Association, having held a number of elected and appointed positions including serving as the association's president from 2012-2013. Laura clerked at the National Telecommunications and Information Administration, Department of Commerce, during the last portion of her law school career.