That our AMA advocate that medical practices are the ultimate custodians of individual and aggregate patient information and should have unfettered access to their data. (New HOD Policy)

RECOMMENDATION D:

Madam Speaker, your Reference Committee recommends that the recommendations in Board of Trustees Report 1 be adopted as amended and the remainder of the report be filed.

HOD ACTION: Recommendation C referred with report back at the 2016 Annual Meeting. The remainder of the recommendations in Board of Trustees Report 1 adopted as amended and the remainder of the report filed.

Board of Trustees Report 1 recommends that our AMA seek to prioritize electronic health record (EHR) interoperability, data portability, and health IT data exchange testing as part of the Office of the National Coordinator for Health Information Technology’s (ONC) certification process; work with EHR vendors to promote transparency of actual costs of EHR implementation, maintenance and interface production; and work with the Centers for Medicare and Medicaid Services (CMS) and ONC to identify barriers and potential solutions to data blocking to allow hospitals and physicians greater choice when purchasing, donating, subsidizing, or migrating to new EHRs.

Generally positive testimony was heard on Board of Trustees Report 1, with several suggested amendments. It was suggested that Recommendation 1 replace “seek to prioritize” with “promote” and replace “certification process” with “highest priority.” Your Reference Committee agrees that the word “promote” is more appropriate because as noted in testimony, it is difficult to prioritize EHR interoperability when it does not yet exist.

Two additional recommendations were suggested so that physicians can maintain access to their patient data regardless of changes in their EHR system. Your Reference Committee recommends that the recommendations in Board of Trustees Report 1 be adopted as amended.

(9) COUNCIL ON MEDICAL SERVICE REPORT 2 - PHARMACEUTICAL COSTS
RESOLUTION 806 - ABUSE OF FREE MARKET PHARMA
RESOLUTION 814 - ADDRESSING THE RISING PRICE OF PRESCRIPTION DRUGS
RESOLUTION 817 - HIGH AND ESCALATING PRESCRIPTION DRUG PRICES

RECOMMENDATION A:
Madam Speaker, your Reference Committee recommends that Recommendation 4 in Council on Medical Service Report 2 be amended by substitution to read as follows:

4. That our AMA encourage Federal Trade Commission actions to limit anticompetitive behavior by pharmaceutical companies attempting to reduce competition from generic manufacturers through manipulation of patent protections and abuse of regulatory exclusivity incentives. (Directive to Take Action)

RECOMMENDATION B:

Madam Speaker, your Reference Committee recommends that Recommendation 8 in Council on Medical Service Report 2 be amended by addition on line 8 to read as follows:

8. That our AMA encourage prescription drug price and cost transparency among pharmaceutical companies, pharmacy benefit managers and health insurance companies. (Directive to Take Action)

RECOMMENDATION C:

Madam Speaker, your Reference Committee recommends that Recommendation 10 in Council on Medical Service Report 2 be amended by deletion on line 37 to read as follows:

10. That our AMA support legislation to shorten the market exclusivity period for biologics. (Directive to Take Action)

RECOMMENDATION D:

Madam Speaker, your Reference Committee recommends that Council on Medical Service Report 2 be amended by addition of a new Recommendation to read as follows:

That our AMA reaffirm Policy D-330.954, which states that our AMA will support federal legislation which gives the Secretary of the Department of Health and Human Services the authority to negotiate contracts with manufacturers of covered Part D drugs, and work toward eliminating Medicare prohibition on drug price negotiation. (Reaffirm HOD Policy)

RECOMMENDATION E:
Madam Speaker, your Reference Committee recommends that Council on Medical Service Report 2 be amended by addition of a new Recommendation to read as follows:

That our AMA reaffirm Policy H-110.992, which states that our AMA will monitor the relationships between pharmaceutical benefits managers and the pharmaceutical industry and will strongly discourage arrangements that could cause a negative impact on the cost or availability of essential drugs. (Reaffirm HOD Policy)

RECOMMENDATION F:

Madam Speaker, your Reference Committee recommends that Council on Medical Service Report 2 be amended by addition of a new Recommendation to read as follows:

That our AMA will convene a task force of appropriate AMA Councils, state medical societies and national medical specialty societies to develop principles to guide advocacy and grassroots efforts aimed at addressing pharmaceutical costs and improving patient access and adherence to medically necessary prescription drug regimens. (Directive to Take Action)

RECOMMENDATION G:

Madam Speaker, your Reference Committee recommends that Council on Medical Service Report 2 be amended by addition of a new Recommendation to read as follows:

That our AMA generate an advocacy campaign to engage physicians and patients in local and national advocacy initiatives that bring attention to the rising price of prescription drugs and help to put forward solutions to make prescription drugs more affordable for all patients, and report back to the House of Delegates regarding the progress of the drug pricing advocacy campaign at the 2016 Interim Meeting (Directive to Take Action)

RECOMMENDATION H:

Madam Speaker, your Reference Committee recommends that the recommendations in Council on Medical Service Report 2 be adopted as amended in lieu of Resolutions 806, 814 and 817 and the remainder of the report be filed.
HOD ACTION: Recommendations in Council on Medical Service Report 2 adopted as amended in lieu of Resolutions 806, 814 and 817 and the remainder of the report filed.

Council on Medical Service Report 2 contains recommendations to improve the affordability of generic drugs, brand-name drugs, and biologics.

Resolution 806 asks that our AMA advocate that the appropriate regulatory bodies of the federal government exercise its “march-in-rights” authority under the Bayh-Dole Act to assure the availability of pharmaceuticals at fair and reasonable prices to consumers, and reaffirm AMA policy in support of advocating that Medicare be granted the right to negotiate drug prices with pharmaceutical companies.

Resolution 814 asks that our AMA convene a task force of all of the relevant stakeholders in the development, approval, and cost of prescription drugs, which should include representation from physicians, physician researchers, the pharmaceutical industry, pharmacy benefit managers, insurance payers, the Centers for Medicare & Medicaid Services, the US Food and Drug Administration, hospitals, and patient advocates; generate a grassroots effort to engage physicians and patients in local and national advocacy initiatives that bring attention to the rising price of prescription drugs and helps to put forward solutions to make prescription drugs more affordable for all patients; and report back to the HOD regarding the progress of the drug pricing task force and grassroots effort at the 2016 Interim meeting.

Resolution 817 asks that our AMA work diligently and actively with Congress to advance legislation that would allow the Department of Health and Human Services to negotiate with pharmaceutical manufacturers the prices that may be charged for covered Medicare Part D drugs; and seek and actively support measures that would increase transparency in how pharmaceutical companies, pharmacy benefit managers, and health insurance companies determine the costs of prescription medications, including increasing transparency related to any incentives given by drug companies to pharmacy benefit managers or health insurance companies related to the dispensing or promotion of their manufactured drugs.

There was generally supportive testimony on Council on Medical Service Report 2. A member of the Council on Medical Service introduced the report, and proposed substitute language for the fourth recommendation of the report to clarify its intent, which your Reference Committee accepted in Recommendation A. Many speakers, in speaking in favor of the recommendations in Council on Medical Service Report 2, stated that the AMA has to take steps to be more aggressive on this issue, and spoke in favor of both Resolutions 814 and 817. Recommendations B, D and E incorporate the intent of Resolution 817 as amendments to Council on Medical Service Report 2. Your Reference Committee believes that amending the eighth recommendation of the Council report, as called for in Recommendation B, to specifically reference pharmaceutical companies, pharmacy benefit managers and health insurance companies will help patients, physicians and other stakeholders understand how drug and biologic manufacturers set prices, and the prescription drug tiering and cost-sharing requirements of health plans. Recommendations B and E address the intent of the
second resolve of Resolution 817. Recommendation D addresses the intent of the first resolve of Resolution 817; your Reference Committee notes that Policy D-330.954, includes two strong directives for AMA action: to support federal legislation which gives the Secretary of the Department of Health and Human Services the authority to negotiate contracts with manufacturers of covered Part D drugs, and to work toward eliminating Medicare prohibition on drug price negotiation. The policy also enables the AMA to engage on this issue as the interest among members of Congress continues to increase, and as Congressional hearings are held on the topic of drug pricing.

In addition, another member of the Council on Medical Service noted the Council’s agreement with the intent of the second resolve clause of Resolution 814, to use the AMA’s strong policy foundation on prescription drug pricing to generate an advocacy campaign on the issue. As such, your Reference Committee addressed the intent of the second and third resolve clauses of Resolution 814 in Recommendation G. However, members of the Council on Medical Service and Council on Legislation noted that the recently announced HHS Pharmaceutical Forum, taking place November 20, addresses the intent of the first resolve clause of Resolution 814 that calls for the AMA to convene a task force on the issue of drug pricing. There were also concerns raised with the cost of the AMA convening a task force of the stakeholders listed in Resolution 814, as well as its return on AMA’s investment. Instead, as a middle ground, some speakers stated that the AMA can convene a task force of physicians, made up of appropriate Councils and state and medical specialty societies. Speakers stressed that this approach will not only ensure that physicians have a voice at the table, but will facilitate a collaborative effort within the Federation in coming up with principles to drive AMA advocacy and grassroots efforts, based on AMA’s strong and comprehensive policy foundation on the issue of drug pricing. Your Reference Committee agrees, and as such puts forward Recommendation F for adoption. Based on the testimony on this item at the hearing, your Reference Committee believes that eliminating the Medicare prohibition on drug price negotiation should be considered by the task force as a potential principle for advocacy efforts.

Your Reference Committee heard mixed testimony on Resolution 806. A member of the Council on Medical Service stated that the resolution would have unintended consequences and severely disrupt the functionality of and innovation in the pharmaceutical marketplace. The Council member stressed that march-in rights have never been exercised by the federal government, and that the factors are hard to establish to justify the exercise of march-in rights. Additional speakers raised concerns with Resolution 806, especially as it pertains to supporting federal government intervention in the pharmaceutical marketplace, which may stymie innovation. Your Reference Committee agrees that the resolution would have unintended consequences, and the recommendations of the Council report, as well as the intent of Resolutions 814 and 817, more effectively address the issue.

A speaker from PhRMA, in raising the organization’s concerns with CMS Report 2 as well as Resolutions 806, 814 and 817, highlighted a difference in statutory interpretation of the Affordable Care Act pertaining to market versus data exclusivity of biologics. A member of the Council on Medical Service outlined AMA’s interpretation of the ACA pertaining to the exclusivity period afforded to innovator biologics. There is also a difference between stakeholders in how the term “market exclusivity” is defined, which is included in the tenth recommendation of the Council on Medical Service Report 2. Your
Reference Committee understands that the intention of this recommendation is to reduce the market exclusivity that an innovator biological has relative to a follow-on biosimilar, not as PhRMA suggested relative to a competing innovator biological. However, to reduce confusion with definitions, your Reference Committee recommends striking the word “market” in Recommendation 10 of Council on Medical Service Report 2, as outlined in Recommendation C. Overall, your Reference Committee recommends that Council on Medical Service Report 2 be adopted as amended in lieu of Resolutions 806, 814 and 817.

D-330.954 Prescription Drug Prices and Medicare
1. Our AMA will support federal legislation which gives the Secretary of the Department of Health and Human Services the authority to negotiate contracts with manufacturers of covered Part D drugs. 2. Our AMA will work toward eliminating Medicare prohibition on drug price negotiation. (Res. 211, A-04; Reaffirmation I-04; Reaffirmed in lieu of Res. 201, I-11; Appended: Res. 206, I-14)

H-110.992 Study of Actions to Control Pharmaceutical Costs
Our AMA will monitor the relationships between pharmaceutical benefits managers and the pharmaceutical industry and will strongly discourage arrangements that could cause a negative impact on the cost or availability of essential drugs. (Sub. Res. 114, A-01; Reaffirmed: Res. 533, A-03; Reaffirmed: CMS Rep. 4, A-13; Reaffirmed in lieu of Res. 229, I-14)

(10) COUNCIL ON MEDICAL SERVICE REPORT 4 - PARITY OF PAYMENT FOR ADMINISTERING BIOLOGIC MEDICATIONS

RECOMMENDATION A:

Madam Speaker, your Reference Committee recommends that Recommendation 3 of Council on Medical Service Report 4 be amended by deletion to read as follows:

3. That our AMA support and encourage interested national medical specialty societies and other stakeholders to submit a request to Medicare for a national coverage determination directing Medicare Administrative Contractors to consider all biologics as complex injections or infusions for rheumatic conditions. (New HOD Policy)

RECOMMENDATION B:

Madam Speaker, your Reference Committee recommends that the recommendations in Council on Medical Service Report 4 be adopted as amended and the remainder of the report be filed.