



hfma[™] arizona chapter
healthcare financial management association



THE HERTEL REPORT

CONGRESS PASSES 21ST CENTURY CURES ACT

In a welcome sign of bipartisanship, Congress passed and President Obama signed the \$6.8 billion spending bill for healthcare research

The most controversial provision of the 21 Century Cures Act is it decreases the obstacles pharmaceutical companies face in drug research and approval. The Cures Act allows pharmaceutical companies to request expedited approval for new drugs from the Food and Drug Administration (FDA), while reducing the agency's scrutiny of drugs before approval. The new law also extends the exclusivity period on new drugs combating rare diseases by six months and mandates that the FDA establish a priority review program for breakthrough medical devices. Critics cite this deregulation as a huge handout to pharmaceutical companies. Senators Elizabeth Warren and Bernie Sanders voted against the Cures Act because of the provisions allowing "big pharma" an easier path into the marketplace, without addressing the pharmaceutical industries growing controversy over price hikes on drugs essential to some Americans' healthcare. The Cures Act will provide states a total of \$1 billion in grants to fight the growing opioid epidemic across the nation. The Centers for Disease Control (CDC) reports 50,000 Americans died from opioid overdoses in 2016.

The National Institutes of Health (NIH) will receive nearly \$5 billion for research into rare and deadly diseases including various cancers and Alzheimer's disease. The NIH is also expected to create a research incentive program for rigorous drug research. The NIH will also receive \$1.8 billion designated for Vice President Biden's Cancer Moonshot program. The law includes \$1.6 million for mental illness research and appropriates funds for President Obama's "Precision Medicine Initiative," a government effort to collect genetic data on one million Americans for treatment research.