

By Dan Goldberg | 12/12/2017 05:40 AM EDT

**TODAY IN HEALTH** — The University at Buffalo holds an opening ceremony for the new Jacobs School of Medicine and Biomedical Sciences at 9:30 a.m. at 955 Main St. Lt. Gov. Kathy Hochul, Buffalo Mayor Byron Brown, Delaware North Chairman Jeremy Jacobs and others dignitaries are expected to attend.

**... The Assembly's Alcoholism and Drug Abuse** Committee holds a hearing on the state budget at 1 p.m., 19th Floor, 250 Broadway.

**SESSION IS COMING** — There's less than a month to go before lawmakers return to Albany for the start of the 2018 legislative session. We want to hear your top priorities, budget asks and nonstarters, and how this all plays out with the 2018 election in the background. Reach out to Nick at [nniedzwiadek@politico.com](mailto:nniedzwiadek@politico.com) or call him at 518-703-6135.

**TRANSGENDER** — For decades, gender affirmation surgery, or bottom surgery as it is sometimes called, was out of reach for all but the most well-heeled New Yorkers. Most insurance plans would not cover the procedure and no New York hospital offered the surgery. But that began to change in 2015, when New York became the ninth state to allow its Medicaid program to cover gender affirmation surgery. Private insurers were beginning to cover it as well. Suddenly, there was a payment model that could support New York hospitals' investments in transgender surgery programs. The result has been a host of new, more affordable options for transgender people seeking surgery. The Cuomo administration's decision to have Medicaid cover transgender surgery created a surge in demand, and four of the region's largest academic medical centers — Mount Sinai, NYU Langone, Montefiore and Northwell - have opened or will soon open programs. For a population that's disproportionately low-income, decisions by New York and other states to allow Medicaid coverage of transgender procedures has been a game-changer. Read my whole story [here](#).

**IN RELATED NEWS** — The Hill [reports](#): "The Trump administration must accept transgender recruits into the military by Jan. 1, a federal judge ruled Monday. The decision prevents a ban on enlisting new transgender troops that the administration had sought to implement after an earlier injunction against the president's order."

**AND MAKE SURE YOU FOLLOW** Dan on Twitter [@DanCGoldberg](#) and Nick [@NickNiedz](#). And for all New Jersey health news, check out [@katiedjennings](#).

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**BUDGET PROBLEMS** — Senate Deputy Majority Leader John DeFrancisco said Monday this year's budget will be "horrible" and "probably the most difficult year the governor's had." DeFrancisco said he believes there would have to be cuts to health care. "It'll never happen in education — there's no way that's going to happen," he said. "But in health care: Listen, we

provide more benefits in health care than any state, and some like Texas and California, combined.

... **"That's wonderful, and we're very generous and the like.** But you can't keep doing that indefinitely especially when you have a bad year," DeFrancisco continued. "You have to do things differently. Not because you're mean and a bad person, it's because you've got very few alternatives. You've got to be in line with other states with our cost in what health care is."

... **DeFrancisco also weighed in** on medical marijuana, per the Times Union's [Matt Hamilton](#): "This was just an interim step for the full legalization of marijuana," he said.

**NOW WE KNOW** — Don't worry, Mr. Mayor. Man flu may really be a thing, according to an article published in The British Medical Journal. Man flu is a cold or similar minor ailment experienced by a man who is thought to be exaggerating the severity of the symptoms. There are lots of acute respiratory diseases, for which men are also more susceptible to complications and exhibit a higher mortality, according to the article. "Men may not be exaggerating symptoms but have weaker immune responses to viral respiratory viruses, leading to greater morbidity and mortality than seen in women," Kyle Sue, a clinical assistant professor at Memorial University of Newfoundland, said in a press release. "Lying on the couch, not getting out of bed, or receiving assistance with activities of daily living could also be evolutionarily behaviours that protect against predators. Perhaps now is the time for male friendly spaces, equipped with enormous televisions and reclining chairs, to be set up where men can recover from the debilitating effects of man flu in safety and comfort." Seriously, he said all that. See it [here](#).

**WE'D LOVE TO HEAR FROM YOU:** This roundup is for you, so please tell us how we can make it even better. Send tips, news, ideas, calendar items, releases, promotions, job postings, birthdays, congratulations, criticisms and corrections to [dgoldberg@politico.com](mailto:dgoldberg@politico.com).

**TOUCH AND PAYGO** — The Republican tax plan could cost New York tens of millions in public health and prevention funding. Unless Congress changes the bill, the \$1.5 trillion tax package would require a slew of cuts to federal health care programs. And the required cuts would be so steep that they would also wipe out the entirety of the Affordable Care Act's Public Health and Prevention Fund — long a target for Republicans. New York City received \$12 million in direct funding from the prevention program last year, money that is used for immunization efforts, lead poisoning prevention, epidemiology and chronic disease prevention, according to a spokesman for the city health department. New York State received more than \$250 million from the Prevention Fund between 2010 and 2016, according to the [Trust for America's Health](#), a nonprofit organization. Read the story [here](#).

**SUPPORTIVE HOUSING ADVOCATES MAKE CASE FOR MORE CASH** — There continues to be unmet need in New York State for supportive housing for people with mental illness or developmental disabilities, advocates testified Monday at an Assembly committee hearing. Supportive housing services provide people the opportunity to live in the community, rather than in an institutional setting, and receive medical or other social services there. Toni Lasicki, executive director for the Association for Community Living, spoke about the lack of access in urgent terms. "Make no mistake about it, New York is facing a dilemma: We can either

be a national model for how states can protect a population that so desperately needs support, or watch the system collapse and become an example of what can go wrong," she said. "The funding issues are so acute that the existence of the programs [is] in jeopardy." More from Nick [here](#).

**CHIP CLOCK** — It's been 73 days since Congress let the Children's Health Insurance Program lapse.

**WHAT ABOUT NEW YORK?** — The Cuomo administration told us it would begin sending notices warning families 60 days prior to running out of CHIP funds. We asked for an update because 60 days from now is mid-February and we were under the impression that New York would run out of money in January. "We are closely monitoring the situation," said Morris Peters, a spokesman for the state's budget office. No further updates were provided.

**DON'T HOLD YOUR BREATH** — Axios [reports](#): "Congress is unlikely to pass a multi-year funding solution for the Children's Health Insurance Program until January, according to House GOP leadership sources. But it will continue to pass temporary measures to make sure states get the funding they need until then."

**VIRGINIA WARNING CHIP ENROLLEES THEY COULD LOSE COVERAGE** — Virginia on Tuesday will send letters to thousands of enrollees of the Children's Health Insurance Program warning that their coverage will end Jan. 31 if Congress does not extend the program's funding. Virginia is one of several states — including Colorado, Connecticut, Montana and Utah — set to run out of CHIP funds by the end of January. More than 68,000 children and 1,100 pregnant women in Virginia could lose CHIP coverage, according to Gov. Terry McAuliffe's office. Virginia and other states have wanted to delay sending termination notices to avoid creating unnecessary panic or confusion if Congress soon does renew the program's funding. As part of the recent two-week government spending bill, Congress included a patch that makes it easier for states to get leftover CHIP funds from CMS, but not new money. States are hoping lawmakers will include CHIP renewal in the next spending bill to keep the government open past Dec. 22. More [here](#).

**INFOGRAPHIC: The CHIP Funding Gap** — Congress' failure to renew the Children's Health Insurance Program (CHIP) could put 350,000 New York children at risk of losing health insurance. Check out POLITICO's graphic [here](#).

**MENTAL HEALTH LITERACY** — The de Blasio administration is aiming to improve mental health literacy in the black community, [announcing Monday](#) a partnership led by first lady Chirlane McCray called Sisters Thrive, which brings together sororities and national service organizations to raise awareness about mental illness and substance abuse. African-Americans typically face greater barriers to mental health care, according to the National Alliance on Mental Illness, because of cultural stereotypes and a legacy of racist and racially insensitive treatment. The group, in its first year, plans to train 10,000 African-Americans in mental health first aid, offering an eight-hour course that teaches how to recognize and respond to signs of mental distress and substance abuse. McCray also wants to help develop a professional mental health pipeline to create a more diverse workforce. The organizations taking part are: National Pan-

Hellenic Council Organizations — Alpha Kappa Alpha Sorority, Inc., Delta Sigma Theta Sorority, Inc., Zeta Phi Beta Sorority, Inc., and Sigma Gamma Rho Sorority, Inc. — Jack and Jill of America, Inc. and the Eastern Area of The Links, Incorporated.

**THE DOCTOR WILL HEAR YOU NOW** — Patients can now walk into a secure room inside a Walgreens, pick up a phone and be connected to Weill Cornell Medicine emergency medicine physicians, who provide exams through a video-conference connection. If the doctor writes a prescription, it can be sent to any pharmacy. The first location is at 40 Wall Street. Physicians from ColumbiaDoctors are expected to participate in early 2018 and several new locations are expected to open. Inside the kiosk there is a forehead thermometer, a blood pressure cuff and a pulse oximeter. More [here](#).

**GRANT LAND** — The Deerfield Foundation is giving a \$150,000 grant to Northside Center for Child Development to expand telepsychiatry services at both public and charter schools in Harlem and the Bronx.

**MAKING ROUNDS** — Christina Galanis, president and CEO of HealthlinkNY for the past thirteen years, is leaving to become president of WOMBA. HealthlinkNY Senior Vice President Staci Romeo, will become the interim executive director.

**ALSO MAKING ROUNDS** — Dr. Noah Rosen, director of Northwell Health's Headache Center, has been appointed to the board of the United Council for Neurologic Subspecialties, a nonprofit organization that accredits training programs in neurologic subspecialties and awards certification to physicians who demonstrate their competence in these subspecialties.

**OPINION** — Doug Wirth, Amida Care president and CEO, wrote in [Newsweek](#) that the Republican tax bill would be bad for most Americans. "It limits deductions for medical expenses, removes tax exemptions that help hospitals and nonprofit organizations, and includes a provision to repeal the individual mandate that requires everyone to purchase insurance."

**A SECOND OPINION** — Dr. Herbert Pardes, executive vice chairman of the New York-Presbyterian Hospital Board, and president of the Brain & Behavior Research Foundation's Scientific Council, [writes](#) in The Hill that the nation needs to do more than just talk about mental illness. "[M]ental illness is a public health crisis that requires immediate attention to improve access to care, raise awareness, and fund mental health research."

## **PHARMA REPORT:**

**HOSPITALS FIRE BACK OVER 340B CUTS** — Courts have ruled that federal agencies' decisions are subject to judicial review, and the Trump administration's decision to cut a drug discount program by more than 28 percent can be overturned, a group of hospitals [told a federal judge](#) late Friday. It was the latest salvo in a high-stakes industry effort to block the cuts. The Trump administration [argued](#) in D.C. district court that courts could not review the challenge by hospitals. If that was so, the administration's power would be "virtually unlimited," lawyers for the American Hospital Association responded on Friday. The hospitals are seeking an injunction over the agency's move to slash the 340B program, which provides discounted medicines to

hospitals and clinics serving low-income patients. The \$1.6 billion in cuts take effect Jan. 1 unless a judge intervenes. A hearing is set for next week.

**... Cuts would 'quite literally, be fatal':** Thirty-two state hospital associations [filed a brief](#) in support of their brethren, citing data analysis and patient anecdotes to show how devastating the loss of 340B discounts would be. "[S]cores of low-income, uninsured, underinsured, and homeless patients, as well as those living in rural communities, will be unable to receive the same level of care" should the cuts take place, the hospitals wrote. Safety-net providers would be forced to scale back a number of services, including cancer care and HIV programs, they claim. California hospitals alone would pay \$173 million more for drugs.

**DRUG REGULATION IS A MESS** — Smart story from [STAT](#): "The Food and Drug Administration has, for years, limited the amount of acetaminophen in any prescription painkiller to 325 milligrams a dose. Yet walk into your local CVS and you'll still find dozens of non-prescription painkillers containing 500, even 650, milligrams of the ingredient. The FDA also requires prescription codeine products to include a warning that they are unsafe for kids under 12. If your local drugstore carries it, you may find non-prescription codeine cough syrups that still list dosing information specifically for children. If those inconsistencies boggle the mind, there's little wonder: By nearly all accounts, the way in which over-the-counter drugs are regulated is a mess."

**SANOFI SCANDAL** — [STAT reports](#): "For the past two weeks, Sanofi has been engulfed by scandal in the Philippines after disclosing that its Dengvaxia vaccine could [worsen](#) — rather than prevent — future cases of the mosquito-borne virus in people who had not previously been infected. About 830,000 children in the Philippines were vaccinated; now the government is demanding a \$59 million refund and probing whether the vaccine was approved improperly."

**MEDICAL DEVICE APPROVAL** — The Wall Street Journal [reports](#): "The Food and Drug Administration plans new medical-device approval processes to speed products' entry to the U.S. market, mirroring the desires of industry and President Donald Trump to clear barriers to new business."

## **WHAT WE'RE READING:**

**PULSE CHECK:** Don't conflate recent health care mergers. There's a difference between hospital mega-mergers and some of the other big deals announced last week, Craig Garthwaite, an economist at Northwestern University's Kellogg business school, said on [POLITICO's podcast](#). For instance, last week's CVS-Aetna and UnitedHealth-DaVita Medical Group deals were "vertical integration," he points out, as major players reorient in innovative ways around changing payment models and acquire other parts of the health care supply chain. That's quite different strategy from the "horizontal integration" of hospital systems getting bigger, as they have for decades. And despite hospitals' mega-mergers, "we're far from seeing the smaller hospitals wiped from the map," Garthwaite added, noting the strengths of some independent academic medical centers.

**OPIOID EXECUTIONS** — Nevada and Nebraska want to use fentanyl to kill prisoners on death row, according to [The Washington Post](#).

**FAT CHANCE** — NAFTA led to increased obesity in Mexico, The New York Times [explains](#).

**SOLVING NON-ADHERENCE** — We know that half of all medications prescribed in the United States are never taken. Austin Frakt [asks](#): What can change that? Turns out the only thing that works is cheaper drugs.

**THIS IS THE UNITED STATES OF AMERICA**: Dozens of people in Houston camped out for a shot at free medical and dental care, Mike Hixenbaugh writes for the Houston Chronicle. [More](#).

**WINNERS IN THE TAX BILL** — Large health insurance companies would be among the biggest winners under Republicans' tax bill, Axios' Bob Herman [reports](#), because nearly all their business is based in the U.S. and they consequently pay close to the full 35 percent corporate tax rate — so they'd have a lot to gain if Congress cuts the corporate tax rate to 20 percent.

... **True, the Affordable Care Act** requires insurers to spend 80 percent to 85 percent of their premiums on medical care, but, as Herman notes, there are steps the companies could take to move money around and keep more of the windfall for themselves and their shareholders.

**INTERESTING QUESTION** — [Kaiser Health News asks](#), if a patient becomes addicted to opioids because of a hospital prescription, is that a medical error?

**20 PILLS** — "Doctors say it is not uncommon to encounter patients taking more than 20 drugs to treat acid reflux, heart disease, depression or insomnia or other disorders." Sandra Boodman on the epidemic of elderly patients taking too many medications. More [here](#) from The Washington Post.

**TODAY'S TIP** — Comes from Northwell Health: With the advent of smartphones, everyone's a photographer! Lee Weissman, man behind the lens for Northwell Health and the NFL, offers tips to [take better photos](#) for corporate and personal use.

## **STUDY THIS:**

**LEARN HOW TO COUNT** — Scientists from the Icahn School of Medicine at Mount Sinai, Sema4, and collaborating institutions New York University and the University of Florida published a report in Nature Biotechnology explaining a more accurate method for identifying individual microbial species and strains in a community. Now, they say, they can classify microbes by analyzing both their genetic code and their methylation patterns, a second DNA code that regulates gene activity. "The biomedical community has long needed a microbiome analysis method capable of resolving individual species and strains with high resolution," Dr. Gang Fang, assistant professor of genetics and genomic sciences at Mount Sinai, and senior author of the paper, said in [a press release](#). "We found that DNA methylation patterns can be exploited as highly informative natural barcodes to help discriminate microbial species from



each other, help associate mobile genetic elements to their host-genomes and achieve more precise microbiome analysis."

**HIGH DEDUCTIBLE PLANS DO NOT REDUCE SPENDING** — Axios reports:

"Researchers from the University of Southern California and the RAND Institute looked at 26 "low-value" services — things like an MRI for back pain. They found that consumers [continued to use](#) those services even after switching from traditional coverage to a high-deductible plan."

**MISSED A ROUNDUP?** Get caught up [here](#).

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<https://www.politico.com/states/new-york/newsletters/new-york-health-care-morning-newsletter/2017/12/12/transgender-surgery-comes-to-new-york-015916>