



Senate Finance Committee Holds Nomination Hearing on Verma for Centers for Medicare & Medicaid Services Administrator

On Feb. 16, the Senate Finance Committee (SFC) held a hearing addressing President Donald Trump's nomination of Seema Verma to serve as Administrator of the Centers for Medicare & Medicaid Services (CMS). SFC Chairman Sen. Orrin Hatch, R-Utah, noted that the selection of the CMS Administrator is particularly important given the power held by CMS, which serves as the "world's largest health insurer" with a budget of more than \$1 trillion. SFC Ranking Member Sen. Ron Wyden, D-Ore., similarly remarked that the CMS Administrator is "one of the most consequential roles in American government."

Verma's testimony before the committee began with a brief statement, which focused on the need for patient-centered policies, increased competition, decreased regulation, modernization of CMS and encouragement of innovation and technology. She then answered questions on a wide range of issues related to both her qualifications and her plans for CMS. Aspects of this discussion are addressed below.

Medicaid Expansion. The general theme of Verma's testimony regarding Medicaid expansion, and Medicaid policy more broadly, was the need to ensure that "Americans [are] in charge of their healthcare." However, she declined to address in detail her views or plans with respect to various issues in this area. Nonetheless, Verma's answers during the hearing provided some insight into possible avenues of reform under Medicaid. While stating that she generally is, and has been, "committed to coverage," Verma did not commit to maintaining current levels of coverage and indicated a desire to minimize the federal role in state Medicaid systems. Verma did state, however, that she would recommend and support re-authorization of the Children's Health Insurance Program (CHIP). Separately, Verma appeared to be interested in reforming Medicaid funding, expressing a willingness to consider block grants and to address problems with the fee-for-service system.

Medicare Reform. Verma's comments regarding Medicare, including Medicare Part D, were relatively limited and stressed her obligation to implement the decisions of Congress. She did, however, express support for the Medicare Access and CHIP Reauthorization Act of 2015 (MACRA), the Improving Medicare

Post-Acute Care Transformation Act of 2014 (the IMPACT Act) and the Medicare Advantage program. She did not commit to a statement of full support for a voucher-based Medicare system.

Medicaid and Medicare Fraud. Verma stated that addressing “fraud and abuse” is a top priority. In discussing this priority, she committed to reviewing the classification processes for brand and generic drugs. She also expressed interest in working with the Department of Justice to use the False Claims Act to combat fraud.

Overall, although Verma’s hearing seemed less contentious than a number of other recent confirmation hearings for President Trump’s nominees, the Senators’ comments were divided along party lines. Republicans generally highlighted Verma’s experience with state Medicaid programs as well as her commitment to increased patient choice and control over healthcare options. In contrast, a number of Democrats expressed concern over Verma’s perceived refusal and/or inability to offer specifics regarding her plans for CMS, particularly with respect to Medicare, where Democrats said Verma has minimal experience. Several Democrats also articulated serious reservations about potential past conflicts of interest arising from information indicating that Verma’s consulting company was involved in developing and implementing Indiana Medicaid policy while also receiving money from businesses that were providing Indiana with a variety of services.

The SFC is the only committee that must approve Verma’s nomination before it is sent before the full Senate. As reported in this week’s Looking Ahead section in Health Matters, the SFC’s vote has been scheduled for March 1.

If you have any questions regarding this Sidley Update, please contact the Sidley lawyer with whom you usually work or

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