



FEBRUARY 14, 2017 BACKGROUND

Seema Verma, Nominee for CMS Administrator

INTRODUCTION

Seema Verma mainly has focused on state level health policy matters; as such, many of her specific opinions and the positions she might take on the breadth of federal policy issues she will handle as the head of the Centers for Medicare and Medicaid Services (CMS) currently are unknown. She is scheduled to appear before the Senate Finance Committee on Thursday, February, 16, 2017 and her prepared testimony and responses to Senators' questions should provide additional insight into her views and plans for the agency and the programs she will oversee. To watch the hearing, click [here](#).

NOMINATED POSITION

Administrator for CMS

NOMINEE

Ms. Seema Verma

EDUCATION

Master of Public Health with a concentration in health policy and management from Johns Hopkins

Bachelor of Science in Life Sciences from the University of Maryland

AGE

46

PROFESSION

Health care policy consultant.

- President and CEO, SVC, Inc. (2001-Present)
 - "SVC, Inc. provides personalized, innovative and strategic health policy solutions. With over 30 years of combined health care experience and knowledge of government health programs on the local, state and federal level, SVC offers its clients comprehensive policy research, analysis, and program development options. SVC has a range of clients, working directly with states such as Indiana, Nebraska, Iowa, Kentucky, Idaho, Maine, and South Carolina around topics including Medicaid strategy, Affordable Care Act (ACA) implementation, state department of insurance, new managed care regulations, and exchange issues. Other clients include hospitals and private vendors that serve Medicaid programs." ([SVC LinkedIn Page](#))
 - SVC, Inc. employs 10 other health policy advisors.
 - [Seema Verma SVC Biography](#)
- Vice President of Planning, Health & Hospital Corporation of Marion County, IN (previous)
- Project Director, Association of State and Territorial Health Officials (previous)

SUMMARY OF KEY ISSUES

- Verma is a health care policy expert best known for leading the design, negotiation, implementation, and expansion of Indiana's Medicaid waiver program as a consultant to the administrations of former Governor Mitch Daniels and current Governor and Vice President-Elect Mike Pence, both Republicans. The program requires most participants to make a small monthly payment (between \$1 and \$100, depending on household income) to a health savings-like account. Verma has advised several other states on the development of similar programs, and many expect that as the incoming Administrator for CMS she will favor the approval and promotion of such flexible Medicaid reform models. Additionally, Verma served as the State of Indiana health care reform lead following the passage of the ACA in 2010.

ACCOMPLISHMENTS

- Architect of the **Healthy Indiana Plan (HIP)**, implemented in 2008.
 - HIP is the original version of Indiana's innovative Medicaid waiver program, "the nation's first consumer-directed program for adult Medicaid participants," operated under a Medicaid Section 1115 demonstration waiver, which gives states flexibility in designing their Medicaid programs. ([SVC HIP Webpage](#))
 - Verma was involved in drafting the enabling legislation, negotiating financing with state hospitals, developing the waiver proposal, supporting federal negotiations, and overseeing implementation.
 - "What it covers: The benefits include three components provided through managed care plans, and are similar to high-deductible health plans (HDHPs):
 - High-deductible coverage: After meeting a \$1,100 deductible, individuals are covered for state-specified benefits up to a \$300,000 annual cap and a \$1 million lifetime cap.
 - POWER (Personal Wellness and Responsibility) Account: Similar to a health savings account, this account is used to cover the \$1,100 deductible. It is funded by the enrollee (and sometimes an employer), state, and federal government and administered by the enrollee's managed care plan.
 - Preventive care: Individuals are covered for preventive care that is not subject to the deductible and does not draw from the POWER Account.
 - What enrollees pay: To obtain and maintain coverage, enrollees must make monthly POWER Account payments, which are scaled by family income and range from 2-5% of income. The state, along with Federal Medical Assistance Percentage (FMAP) funds, pays for the gap between enrollees' payments and the \$1,100 deductible for the POWER Account. If an enrollee misses a monthly payment, the individual loses coverage, forfeits 25% of his or her POWER Account contributions, and is barred from re-enrolling for 12 months. By obtaining state-specified preventive care, enrollees can carry over state POWER Account contributions to the next year, which helps offset required enrollee payments." ([Kaiser Family Foundation: "Healthy Indiana Plan: Key Facts and Issues"](#))
 - Health Affairs article on HIP co-authored by Verma in May 2008: "[Indiana: Health Care Reform Amidst Colliding Values](#)"
- Led redesign and implementation of **Healthy Indiana Plan 2.0**, implemented in 2015.
 - HIP 2.0 is Indiana's version of Medicaid expansion under the ACA, and expanded the existing HIP program.
 - Verma helped Governor Mike Pence broker the "groundbreaking Medicaid deal with the Obama administration" under a new Section 1115 demonstration waiver. ([Washington Post](#))
 - HIP 2.0 requires participants to pay a nominal monthly fee and those above a certain level of income can be kicked off the program for not doing so. The most impoverished recipients, though, can stay on but receive fewer benefits.
 - Health Affairs article on HIP 2.0 co-authored by Verma in August 2016: "[Healthy Indiana 2.0 Is Challenging Medicaid Norms](#)"

- Advised Iowa, Ohio, Tennessee, Michigan, and Kentucky on similar Medicaid waiver proposals, negotiations, and programs.
 - Verma worked with multiple public health agencies and state insurance agencies as they prepared for the implementation of the ACA, including interpreting and implementing regulatory changes and understanding the impact of the health exchanges on the state insurance markets.
 - Served on the Public Policy Committee of the Republican Governors Association and contributed to the development of its 2011 report: [“A New Medicaid: A Flexible, Innovative and Accountable Future”](#)

RESPONSE TO NOMINATION TO DATE

There seems to be broad, general agreement that Verma is well-qualified for the role, with robust knowledge of CMS programs and functions. Republican policymakers have expressed confidence in her ability to lead the agency through forthcoming “repeal and replace” efforts. Several hospital associations have applauded her nomination. Some Democratic policymakers and progressive organizations that oppose requiring any form of payment from Medicaid participants, as the Indiana program does, have expressed opposition to her nomination. Some in the media and a former Indiana state official have expressed concern that Verma does not have management experience to lead an organization of CMS’ size. Others have questioned her level of expertise and/or interest in CMS programs other than Medicaid.

Elected officials

- **President Donald Trump:** “I am pleased to nominate Seema Verma to serve as Administrator of the Centers for Medicare and Medicaid Services.” “She has decades of experience advising on Medicare and Medicaid policy and helping states navigate our complicated systems. Together, Chairman (Tom) Price and Seema Verma are the dream team that will transform our healthcare system for the benefit of all Americans.” ([Press Release](#))
- **Vice President Mike Pence:** “At a ceremony celebrating the anniversary of HIP 2.0, Pence said, “There was no individual who helped us guide this more effectively, or with more integrity, than Seema Verma.” ([SVC, Inc. Press Release](#))
- **Former Gov. Mitch Daniels (R-IN):** “Seema was an invaluable member of the Daniels Administration as we developed, legislated and implemented the Healthy Indiana Plan in less than one year,” said Daniels, now president of Purdue University. “Low-income Hoosiers were the first in the nation to experience real consumer-driven health care. I expect she will serve our nation with excellence as administrator of CMS.” ([Journal Gazette](#))
- **Indiana State Rep. Charlie Brown (D-3):** “She is a smooth operator, and very, very persuasive,” he says. Brown worked in opposition to Verma in crafting the Healthy Indiana Plan, but said she was effective across party lines at incorporating the Pence administration’s wishes. “She’s very resourceful and intelligent,” says Brown. “But the question now becomes, ‘What will be her marching orders as they relate to Medicare and Medicaid?’” ([NPR](#))
- **Sen. Dan Coats (R-IN):** “Ms. Verma’s leadership and success with health care reform in Indiana makes her a highly-qualified appointment to the Trump Administration. There is much work to be done to undo the harm caused by President Obama’s disastrous health care law, and in Indiana we’ve been able to make progress through HIP and HIP 2.0 that ensures Hoosiers have access to the health care they need at an affordable price. Her knowledge of the intricacies of our health care system will be an invaluable asset. I applaud her past accomplishments and wish her future success as she undertakes an enormous and important role in the new Administration.” ([Press Release](#))
- **Sen. Orrin Hatch (R-UT):** “Verma’s strong health policy background will benefit the reform effort at CMS, a mammoth agency whose responsibilities ballooned under President Obama and his health law. 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 will play an integral role in leading the effort.” ([Press Release](#))
- **Sen. Sherrod Brown (D-OH):** “Ms. Verma ‘has spent the last 20 years making it harder for families to get the care they need.’” ([Wall Street Journal](#))

- **Sen. Ron Wyden (D-OR):** “Seema Verma will be responsible for the health care of over 100 million Americans – including seniors, low and middle-income Americans, pregnant women and mothers, those with disabilities, and many others. I look forward to learning more about her views on health care and the critical programs she will administer as the Finance Committee gives her nomination close consideration.” ([Press Release](#))

WHAT OTHERS ARE SAYING

Think tank, advocacy, and political organizations

- **Susan Jo Thomas, insurance advocacy group Covering Kids and Families:** “says Verma’s contributions to HIP 2.0 made Medicaid expansion possible in a Republican state. ‘She understood that in order to get expansion in this state, it’s more about what is palatable, what can get approved,’ she says.” ([NPR](#))
- **Joan Alker, Executive Director of the Georgetown University Center for Children and Families:** “Those who are concerned about the health and well-being of Americans who rely on Medicaid and Medicare should brace themselves for tumultuous times ahead.” ([USA Today](#)) “The vision of Medicaid under Verma is troubling. It’s a vision where there will be many new barriers to coverage.” ([Advisory Board](#))
- **Tophers Spiro, Vice President for Health Policy, Center for American Progress:** “Seema Verma does not understand the plight of working Americans. She thinks that making low-income people pay \$100 per month for health insurance is empowering. She thinks that a \$1,100 insurance deductible may be too low. She even likes the idea of limiting the amount of benefits an insurance company must pay out each year and over a lifetime. The last thing working Americans need is more skin in the game in the form of extra costs; they need certainty that their health care will not be taken away from them.” ([Press Release](#))

Hospital and medical associations

- **Chip Kahn, President and CEO of the Federation of American Hospitals** “[Verma] has a solid reputation as an effective innovator in assisting states in reforming and modernizing Medicaid programs for low-income Americans,” “A number of our members have experienced her efforts in Indiana and other states and FAH looks forward to developing a strong working relationship with her as she makes the transition to her new and important role in Washington.” ([MedPage Today](#))
- **Rick Pollack, President and CEO, American Hospital Association (AHA):** “The American Hospital Association (AHA) congratulates Seema Verma on her nomination to serve as administrator of the Centers for Medicare & Medicaid Services (CMS). Her experience with the Healthy Indiana Plan 2.0 gives her a deep understanding of the importance of health care coverage for the patients served by hospital and health systems. She has used innovative models in Indiana to expand coverage for patients and that expertise will be valuable at the national level. We look forward to working with her new role at CMS.” ([Press Release](#))

Media

- **STAT:** “The selection of Verma is likely to embolden state proposals to cut Medicaid costs and institute changes that require low-income people put more ‘skin in the game,’ as many Republicans have said, regarding their health care and medical expenses. It could also bolster Republican-led efforts to pare Medicare spending and shake up coverage options for millions of Americans.”
- **STAT:** “Her proposals, while criticized by some Democrats, have also drawn fire from some Republicans who argue they do not go far enough to cut spending. With the Affordable Care Act still picking up the tab for Medicaid expansion, the exact financial impact of Healthy Indiana on the state’s coffers remains unclear.”
- **Politico:** “...we’ve heard one common question from Democrats and Republicans alike: How will Price and Verma adapt to the challenge of leading massive bureaucratic agencies? Neither has experience working within HHS, and the talents necessary to be a policy wonk often don’t overlap with the skills needed to be an effective manager.”

- [New York Times](#): “Working in state government and then as president of a consulting company, she helped Indiana expand Medicaid eligibility under the Affordable Care Act, with conservative policies that emphasized ‘personal responsibility.’ Ms. Verma worked closely with Gov. Mike Pence of Indiana, the vice president-elect, and with former Gov. Mitch Daniels, also a Republican. She has won praise from health care providers and state legislators of both parties. She has also provided technical assistance and advice to Medicaid officials in other states.”

OTHER

- In 2016, Governor Mike Pence awarded Verma the Sagamore of Wabash, an Indiana state award that recognizes distinguished service.
- Verma testified at House Energy and Commerce Committee hearing on “The Need for Medicaid Reform: A State Perspective” on June 12, 2013. [Testimony](#)
- In 2014, an [Indianapolis Star article](#) presented a possible conflict of interest in Verma’s concurrent contracts with the state of Indiana and Medicaid vendor Hewlett Packard. Verma responded: “SVC has disclosed to both HP and the state the relationship with the other to be transparent. If any issue between HP and the state presented a conflict between the two, I recused myself from the process.”
- Verma is a graduate of the [Richard G. Lugar Excellence in Public Services Series](#), “a political leadership development program started in 1990 to increase the number of Republican women in local, state and national elective and appointive offices.”

About the District Policy Group

The District Policy Group is a bipartisan team of lobbyists and public policy professionals who advance 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 12 offices.

The District Policy Group is different from other government relations and public policy teams 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.

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.



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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.

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.