



SEEMA VERMA

ADMINISTRATOR OF THE CENTERS FOR MEDICARE & MEDICAID SERVICES

NationalJournal

Life in Brief

Born: September 27, 1970

Hometown: Portsmouth, VA

Current Residence: Carmel, IN

Education:

- M.P.H, Johns Hopkins School of Public Health, 1996
- B.S., Life Sciences, University of Maryland, 1993

Family:

- Husband (Sanjay, child psychiatrist); two children

Work History:

- Administrator, Center for Medicare and Medicaid Services, March 2017- present
- Founder and CEO, SVC Inc., 2001
- VP of Planning, Health and Hospital Corporation of Marion County (IN)
- Director, Association of State and Territorial Health Officials

Confirmation Vote

- Confirmed 54-44
- Supported by all present Republicans, Angus King (I-ME) and three Democrats
 - Joe Manchin (D-WV)
 - Heidi Heitkamp (D-ND)
 - Joe Donnelly (D-IN)

Quick Summary

Former Medicaid consultant brings strong private sector and state-oriented instincts to CMS; leverages relationship with VP Mike Pence, who brought her into the Administration from Indiana

- Entered CMS position with Medicaid-heavy background
- First generation American grew up in a variety of locations; believes this experience made her an adaptable survivor
- Former consultant advised state governments on Medicaid, often focused on designing expansion waivers
- Verma's Healthy Indiana Plan (HIP) 2.0, which she developed for Pence, under includes co-pays and premiums for Medicaid recipients
- Criticized by Democrats for Medicaid work requirement proposals and preferred Affordable Care Act (ACA) modifications
- Subject of multiple controversies related to CMS expenditures and her working relationship with Health and Human Services (HHS) Secretary Alex Azar

Approach and Motivations

Verma carefully stays in Trump's good graces while she encourages states to adopt consumer responsibility-oriented Medicaid reform

- Criticism of ACA and Medicare for All has earned Verma positive attention from Trump
- White House alliances (e.g. Pence) have helped Verma survive bouts of negative press scrutiny and poor relationship with Azar
- Considers ACA's expansion of Medicaid to adults above the poverty line a threat to the program's fiscal viability
- Wants to give states leeway to introduce cost-sharing and incentives, which Verma believes will drive down overall Medicaid expenditures as beneficiaries take charge of their own health care

Policy Positions and Areas of Focus

Reducing government footprint in health care, including Medicaid and the ACA; Verma's CMS has issued rule changes regarding price and record transparency for patients to drive down costs

Medicaid: Reducing government spending, increasing state flexibility

- Architect of HIP 2.0; designed to encourage individual responsibility through cost-sharing incentives and penalties (e.g. removing beneficiaries from their plan for failing to contribute to their health savings account within 60 days)
- Changed waiver criteria to allow states to institute work requirements for Medicaid; plans have had mixed success in federal court

Affordable Care Act: Major critic

- Supports repeal and replacement of the ACA; claims that CMS is ready for multiple scenarios if the law's status changes in court
- Blames the ACA for increasing premiums and making health care "unaffordable"
- Sharply reduced funding for Navigator programs, which spread awareness of and help consumers register for ACA marketplace

Transparency in Health Care: Enforcing transparency to lower costs for consumers

- Believes consumer price knowledge and medical record access will lead to a cheaper and more competitive system
- Criticizes lack of price transparency for patients; released rule requiring hospitals to disclose prices over industry objections
- Interoperability and Patient Access final rule requires CMS-regulated payers to make patient records electronically accessible by January 2021; Verma envisions a system similar to mobile banking, where patients can access records on smartphones

Core Communities

Longtime Mike Pence ally has strong Indiana and state government connections; frequent industry event speaker

Indiana Governors: Private consultant to IN leaders remains close Pence ally

- Considered to be close ally of Mike Pence in the Administration; Verma reportedly has a direct line to the Vice President
- Created first Healthy Indiana Plan under Gov. Mitch Daniels (R); donated \$2000 to Daniel's reelection campaign in 2008
- Had her own office at the state government center under Gov. Mike Pence; crafted HIP 2.0 to manage state Medicaid expansion
- Pence gave Verma the Sagamore of the Wabash award in 2016; top state honor

State Medicaid Agencies: Ran implementation of Republican-sought reforms and friendly with top advocacy group

- While at SVC, Inc., her client list included contracts and subcontracts for states including IA, KY, OH, AR, SC, and TN
- Cited her familiarity with "day to day implementation" of health policy in states as a qualification for CMS job
- Praised for Medicaid expertise in 2017 speech by National Association of Medicaid Directors Matt Salo
- Spoke at 2019 National Association of Medicare Directors Fall Conference

Health Care Industry: Frequent speaker at industry events

- Addresses variety of industry groups (e.g. Federation of American Hospitals, FAH)
- Uses speeches to highlight personal connections to different groups, including experience working in hospitals (FAH) and doctors in her family (American Medical Assn.)

Relevant Financial Information

Affluent former consultant donates to IN Republicans

Political Donations

- Verma has exclusively donated to Indiana Republicans since 2008; largest contribution (\$2000) went to then-Gov. Mitch Daniels in 2008

Personal

- SVC Inc. earned over \$6 million from state contracts between 2011 and 2016
- 2016 financial disclosure lists \$2.1 million in “business income” from SVC, Inc. and a \$480,000 salary for Verma
- Verma sold SVC, Inc. to Michigan-based Health Management Associates in 2017; price of sale not disclosed

Publications, Media, and Speaking

Head of huge agency maintains high visibility for non-cabinet member; op-eds and TV appearances aim to counter narrative that Trump Administration is reducing health care coverage or benefits

Publications: *Writes op-eds on hot-button health care issues appearing in national newspaper*

- Favorite Outlets: National papers (e.g. Washington Post)
- Favorite Subjects: Medicaid, Medicare, criticizing Democratic health care proposals (e.g. public option)

Media: *Promotes and defends Trump health care agenda in TV interviews*

- Preferred Outlets: National broadcast (e.g. PBS) and cable outlets (e.g. CNBC, Fox News)
- Favorite Subjects: Failure of the ACA, Medicare and Medicaid reform
- Social Media Habits: Twitter account announces CMS actions and Verma’s TV appearances

Speaking: *Discusses agenda in front of health industry and media audiences*

- Favorite Subjects: Medicaid reform, health care transparency
- Preferred Audience: Health care industry groups (e.g. National Association of Medicaid Directors), media events (e.g. Atlantic Live)

Congressional Testimony: *Testifies on health care policy*

- EX: Testified before House Energy and Committee Subcommittee on Oversight and Investigations, October 2019

Family and Personal Background

Daughter of Indian immigrants shaped by upbringing, professional experience, and call to public service

- First generation American grew up in a variety of locations, including the Washington, D.C. suburbs and Taiwan; believes transient upbringing made her adaptable and a “survivor”
- Developed different political ideology from Democrat-supporting parents and has acknowledged occasional family tension over politics
- Political convictions come from experience; cites formative experience working with government in a public hospital early in her career
- Chose public health field over practicing medicine for the opportunity to make a greater difference
- Claimed to have been an early supporter of President Trump; called him “someone I can relate to” because he opted for public service when it was not personally necessary
- Cites gratitude to the United States as primary motivator to enter public service; believes CMS role is her best opportunity to contribute

Awards

- 2016 Sagamore of the Wabash award recipient; personal tribute is the “highest honor, which the Governor of Indiana bestows”

Criticisms and Controversies

Tenure in D.C. marked by feuds and controversy; simultaneous work for Hewlett Packard and state government in IN raised ethical concerns

Tension with HHS Leadership

- Relationship with former Secretary Tom Price characterized by acrimony and competitiveness
- Late 2019 press reports described animosity between Verma and Secretary Azar stemming from personal and policy disagreements
- Azar disapproved of Verma’s plan to replace the ACA, and Verma helped turn Trump against Azar’s plan to end drug rebates for pharmacy benefit managers

Jewelry reimbursement request

- Requested a \$47,000 reimbursement from HHS after her items were stolen on a work trip; request included \$43,065 for jewelry
- Received \$2,852 for other items: HHS does not allow reimbursements for jewelry
- Some Congressional Democrats asked for her resignation

Use of outside consultants at CMS

- Hired outside consultants for communications roles, who were paid a total of \$3 million
- Arranged for Verma to interview with high-profile news outlets and wrote her speeches
- Fed accusations that Verma used public money to burnish her own image

Hewlett-Packard work

- HP paid SVC, Inc. \$1.2 million for “health consulting services” while Verma worked for IN
- HP had contracts under Verma’s purview in her role as a state contractor; won over \$500 million in contracts during this period, including on Verma-crafted HIP
- Then-IN House Health Committee Chair Ed Clere stated that there “appears to be the potential for conflict;” IN law does not forbid conflicts of interest among state contractors

COVID-19 Response

Regulator with authority over hospitals takes front and center role in Trump Administration response

Relevant Positions

- White House Coronavirus Task Force

Actions: *Addressing the nation with the Task Force and leading CMS response*

- Appears for press briefings with White House Coronavirus Task Force members
- Defends the Administration's response on TV
- CMS has released numerous rule changes and waivers intended to fight the virus spread
 - Allow hospitals to test and treat patients in a variety of locations outside of the hospital itself
 - Waive Medicare rules to allow hospitals to hire outside medical professionals from the community and other states
 - Expand Medicare coverage to all respiratory devices and equipment
 - Encourage telehealth for Medicare patients; doctors allowed to provide many in-person services virtually
- Twitter account shares updates of CMS actions

Statements: *Defending the Administration and announcing new policies*

- In March 12, 2020 Fox News appearance, Verma declined to answer specific questions about the availability of COVID-19 tests and essential equipment, instead elaborating on other CMS initiatives (e.g. telemedicine)
- Promoted telemedicine as a COVID-19 mitigation strategy in March 18, 2020 CNBC appearance
- During March 30, 2020 WH Task Force briefing, Verma called for lifting "the assumptions of peacetime" before describing latest CMS regulatory changes