

HALL RENDER'S THIS WEEK IN WASHINGTON - SEPTEMBER 29, 2017

NO DEAL FOR REPEAL: CONGRESS CONSIDERS NEXT STEPS

On September 26, Senate leadership announced they would not hold a vote on the Graham-Cassidy bill to repeal the ACA. The vote was called off after Republicans realized they would not reach the requisite 50 votes needed to pass the legislation prior to the September 30 deadline. Sens. John McCain (R-AZ), Rand Paul (R-KY) and Susan Collins (R-ME) announced their intention to vote against the repeal legislation.

With Graham-Cassidy off the table for the near term, the ACA-related focus shifts back to resuming bipartisan efforts to stabilize the health insurance marketplaces. HELP Committee leaders Sens. Lamar Alexander (R-TN) and Patty Murray (D-WA) intend to restart negotiations to stabilize the ACA insurance markets through funding guarantees for insurers and regulatory flexibility for states. The National Governors Association is pushing Congress to fully fund the ACA's cost-sharing subsidies, speed up the application process for ACA Section 1332 state innovation waivers and provide new flexibility to test health reforms.

Despite efforts to pass Graham-Cassidy, Republican hopes to repeal the ACA through reconciliation are not completely extinguished. Some Republicans have called on their leadership to combine health care reform in the same bill used for tax reform. However, a number of Republican leaders are against combining health care and tax reform because adding health care would make it much more difficult to pass the tax plan. President Trump said that health care talks will be back in early 2018.

CMS DELAYS HOSPITAL STAR RATING UPDATE

On September 27, CMS announced it will not update the overall Hospital Quality Star Ratings in October. CMS plans to further examine aspects of the methodology for identifying high-quality facilities. In August, CMS asked for feedback on issues such as how measures are weighted, whether certain measures should be incorporated into the ratings and how to change the public reporting thresholds.

Strong criticism from hospital groups is part of the feedback that motivated CMS to evaluate the rating system. These groups have argued the approach is flawed, simplistic and unfair to hospitals. The [Five-Star Rating System](#) is posted on the CMS Hospital Compare website. Currently, only 83 of the 4,598 hospitals have a five-star rating and 112 hospitals have a one-star rating.

SENATE UNANIMOUSLY PASSES CHRONIC CARE ACT

At a time when most Americans view Congress as dysfunctional, the bipartisan CHRONIC Care Act was unanimously passed by the Senate on September 26. The measure is intended by lawmakers to improve health outcomes for Medicare beneficiaries living with chronic conditions. CHRONIC, or the Creating High-Quality Results and Outcomes Necessary to Improve Chronic, Care Act will permanently authorize Medicare Advantage special needs plans, extend the Medicare Independence at Home Demonstration by two years and expand coverage of telehealth services in Medicare Advantage. The bill also pays for telestroke care and allows accountable care organizations to use the technology.

The Senate Finance Committee, which held a [hearing](#) in May and later [marked up](#) the legislation, claims this bill will improve disease management, lower Medicare costs and streamline care coordination services without adding to the deficit. It remains unclear if this legislation will be taken up by the House.

CMS DELAYS PROPOSED 340B CHANGES

CMS issued a [notice](#) on September 28 announcing there will be another delay for implementation of a set of proposed changes to the 340B drug program. The changes, such as the way civil monetary penalties are issued and the establishment of a new ceiling price for the amount that can be charged by drug companies, will not be implemented until July 1, 2018. These new policies were supposed to be finalized in March. However, due to its ongoing evaluation of the 340B drug program, the Trump administration has delayed the final rule three times thus far.

This week, more than 220 House lawmakers submitted a letter to CMS urging CMS Administrator Seema Verma to end the proposed pay cuts to hospitals participating in the program. The bipartisan group claims the proposal would force hospitals to limit care provided to low-income and rural patients and would put the entire 340B program at risk.

HEALTH-RELATED BILLS INTRODUCED THIS WEEK

Rep. Tim Walberg (R-MI) introduced H.R. 3891 to amend Title XIX of the Social Security Act to clarify the authority of State Medicaid fraud and abuse control units to investigate and prosecute cases of Medicaid patient abuse and neglect in any setting.

Rep. Lloyd Smucker (R-PA) introduced H.R. 3888 to amend the Public Health Service Act to provide grants for additional residency slots in children's hospitals graduate medical education programs.

Rep. Tim Ryan (D-OH) introduced H.R. 3842 to amend the Public Health Service Act to reauthorize the Healthy Start for Infants Program.

Rep. Patrick Meehan (R-PA) introduced the Medicare Home Health Flexibility Act of 2017 (H.R.3820) to permit occupational therapists to conduct the initial assessment visit and complete the comprehensive assessment under a Medicare home health plan of care for certain rehabilitation cases.

NEXT WEEK IN WASHINGTON

The House and Senate return Monday for a full legislative week. On October 4, the House Energy and Commerce Committee will hold a hearing on renewing funding for the Children's Health Insurance Program ("CHIP") and extending other health care programs. Even though federal CHIP funding ends this weekend, negotiations were pushed aside for debate over the Graham-Cassidy legislation. There is already a bipartisan bill in the Senate to extend the CHIP program. When the Energy and Commerce Committee considers CHIP next week, it is also expected to address community health center funding, health center graduate medical education and other related provisions.

THIS WEEK IN WASHINGTON IN HISTORY

36 years ago this week - 1981: Sandra Day O'Connor, the first female Supreme Court Justice, is sworn in. Appointed by President Ronald Reagan, O'Connor received unanimous approval from the U.S. Senate.

57 years ago this week - 1960: Vice President Richard Nixon and Sen. John F. Kennedy (D-MA) participate in the first nationally televised debate between presidential candidates. More than 1 in 3 Americans tuned into this debate, making it one of the most-watched broadcasts in television history.

103 years ago this week - 1914: The Federal Trade Commission is established to foster competition by preventing monopolies in business. President Woodrow Wilson signed the Federal Trade Commission Act into law.

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