

## HALL RENDER'S THIS WEEK IN WASHINGTON - OCTOBER 6, 2017

### HOUSE AND SENATE COMMITTEES ADVANCE CHIP FUNDING

After Congress missed the September 30 deadline to renew funding for the Children's Health Insurance Program ("CHIP"), both the House and Senate worked to advance bipartisan CHIP legislation this week.

The Senate Finance Committee advanced a bill, known as the Keep Kids' Insurance Dependable and Secure ("KIDS") Act, to fund CHIP for five years and continue contingency funding for states facing a shortfall. Additionally, the measure maintains the Affordable Care Act's ("ACA's") funding enhancement of 23 percent for two years before decreasing the enhancement over the next two years. The KIDS Act provides more than \$100 billion over five years to insure the approximately nine million children covered by the program.

Similarly, the House Energy and Commerce Committee marked up legislation analogous to the bill advanced in the Senate. The House legislation also extends funding through FY 2022 and winds down the ACA's 23 percent federal match, but it delays the Medicaid disproportionate share hospital payment cuts for FY 2018. The cuts would be \$2 billion for FY 2018 and go back into effect in FY 2019. Meanwhile, DSH pay would be cut by \$16 billion over two years in FYs 2026 and 2027. As stated in an Energy and Commerce [background memo](#), the additional cuts will offset the cost of the policy.

The House Energy and Commerce markup led to a heated debate between lawmakers from each party. House Republicans proposed to pay for the CHIP legislation by increasing Medicare premiums for seniors with an income of more than \$500,000 a year, allowing states to remove lottery winners from state Medicaid programs and changing Medicaid's third-party liability programs. These pay-for provisions were the source of contention for Democrats because they believed this was taking money from Medicare and ACA to offset the cost. The Senate bill does not specify how the government would pay for extending CHIP, but Senators are expected to agree on financing before the bill goes to the floor.

### IPAB BILL PASSED BY HOUSE WAYS AND MEANS

On October 4, the House Ways and Means Committee passed legislation to repeal the ACA's Independent Payment Advisory Board ("IPAB"). The IPAB panel is made up of 15 experts who determine cuts to Medicare if the spending on the entitlement program reaches a limit established by the ACA. The Board is prompted when the CMS actuary predicts that spending will grow faster than a specified target. Once it does, the IPAB must create proposals to reduce Medicare spending, which led to it being called a "death panel" by Republicans. The House Energy and Commerce Committee was expected to mark up an IPAB repeal bill, but it opted not to bring up legislation on the matter. Even though the markup of the IPAB repeal bill was tabled in the Energy and Commerce Committee, the IPAB repeal bill can still make it to a vote on the House floor.

### PRICE OUT AS HHS SECRETARY

Late last week, Dr. Tom Price resigned as HHS Secretary. The White House then designated Don J. Wright as acting HHS secretary. Wright had been the acting Assistant Secretary for Health and Director of the Office of Disease Prevention and Health Promotion.

Also this week, the Senate confirmed Eric Hargan as Deputy Secretary of HHS. Hargan was confirmed 57-38 in the Senate and will take on a significant leadership role as number two in charge. President Trump is expected to nominate a new secretary in the fall, and the nomination will have to be confirmed in the Senate. Current CMS Administrator Seema Verma and FDA Commissioner Scott Gottlieb are considered to be possible replacements.

### HEALTH-RELATED BILLS INTRODUCED THIS WEEK

Rep. Greg Walden (R-OR) introduced H.R. 3922 to extend funding for certain public health programs. These programs include extension of special diabetes programs and reauthorization of program of payments to teaching health centers that operate graduate medical education programs.

Rep. Larry Bucshon (R-IN) introduced H.R. 3928 to ensure that patients receive accurate health care information by prohibiting misleading and deceptive advertising or representation in the provision of health care services and to require the identification of the license of health

care professionals.

Rep. Jackie Walorski (R-IN) introduced H.R. 3920 to establish a Medicare demonstration program on the use of third-party interest-free payment arrangements to reduce Medicare hospital part A bad debt claims. CMS would implement a demonstration program on the use of these payment arrangements. The three-year demonstration program in five states would examine the impact of third-party interest-free payment arrangements on patient engagement, satisfaction, health outcomes and claims for Medicare Part A bad debts.

## **NEXT WEEK IN WASHINGTON**

The Senate is not in session, but the House will return to work on Tuesday. On October 11, the House Energy and Commerce Committee will hold a hearing "Examining How Covered Entities Utilize the 340 Drug Pricing Program." The committee will hear from three different hospital CEOs on how 340B savings are being used.

## **THIS WEEK IN WASHINGTON IN HISTORY**

**129 years ago** this week, 1888: The Washington Monument, designed by Robert Mills, opens to the public. Eleven years later, Congress would ensure no building will ever be built taller in D.C. when they pass the Height of Buildings Act of 1899.

**52 years ago** this week, 1965: President Lyndon Johnson signs legislation that establishes the National Foundation for the Arts and the Humanities.

**37 years ago** this week, 1980: Rep. Michael "Ozzie" Myers (D-PA) is expelled from the House of Representatives for taking a bribe in the Abscam scandal, the first member to be expelled since 1861. Abscam was the code name for the FBI sting operation that ultimately convicted six members of the House and a U.S. Senator.

For more information, please contact:

- **John F. Williams III** at (202) 370-9585 or [jwilliams@hallrender.com](mailto:jwilliams@hallrender.com);
- **Andrew C. Coats** at (202) 370-9587 or [acoats@hallrender.com](mailto:acoats@hallrender.com); or
- Your regular Hall Render attorney.