

HALL RENDER'S THIS WEEK IN WASHINGTON - NOVEMBER 10, 2017

HOUSE ADVANCES TAX REFORM LEGISLATION

On November 9, the House Ways and Means Committee advanced **legislation** that would overhaul the nation's tax code for the first time since 1986. The next day, the Senate Finance Committee released its tax reform proposal, which Chairman Orin Hatch (R-UT) said would be advanced by the committee next week. While both pieces of legislation have provisions that would indirectly impact the health care industry, controversial items, like repeal of the individual mandate have, so far, been left out. Ways and Means Chairman Kevin Brady noted the unlikelihood of the House adding the ACA's individual mandate repeal before the bill goes to the floor for a vote next week. Unlike the House bill that repeals the itemized deduction of medical expenses beginning next year, the Senate's proposal does not repeal existing tax deductions for especially high medical expenses.

Currently, the Tax Cuts and Jobs Act (**H.R. 1**) contains a provision eliminating the tax exemption for private-activity bonds, including qualified 501(c)(3) hospital bonds. However, in response to intensive lobbying from the hospital and other industries, the Senate will not include this provision in its bill, which, as of this writing, has still not been introduced. This also comes after a bipartisan group of 150 House members expressed support for the bonds earlier in the year. In a letter to House leadership, these lawmakers explained how the bonds help not-for-profit hospitals and health systems access low-cost capital to keep infrastructure expenditures low. While the House bill does not make changes to the tax exemptions of not-for-profit hospitals, it does impose a 20 percent excise tax on the compensation of some high level executives, which could include hospital CEOs.

HOUSE E&C COMMITTEE HOLDS MACRA HEARING

On November 8, the House Energy & Commerce Health Subcommittee held a **hearing** on implementing alternative payment models for physicians and other clinicians under MACRA. In order to boost participation in the alternative payment model provided by MACRA, physician groups claim they need more government support to address barriers, which include the need for technical assistance to help doctors transition from fee-for-service to value-based care, greater access to shared data and the need to test new small scale models. The hearing occurred the week after CMS **finalized** a proposed rule to exempt more small providers from complying with MACRA.

Congress is hearing from a range of hospital stakeholders about improving quality and reducing the burden under the Merit-Based Incentive Payment System ("MIPS"). Health Subcommittee Chairman Rep. Michael Burgess (R-TX) has said that MIPS will get its own hearing "in the very near future."

CMS ADMINISTRATOR OUTLINES NEW MEDICAID POLICY REFORMS

On November 7, CMS Administrator Seema Verma **unveiled** new Medicaid policies designed to give states more program flexibility. Verma said these include approval of state waiver applications promoting "community engagement" activities, such as requiring some enrollees to work or participate in other job-related activities. She also announced policies to ease the burden on states when submitting waivers. These include fast-track approvals for certain "routine or prior-approved proposals" and approval for up to 10 years for waivers shown to be successful.

HEALTH-RELATED BILLS INTRODUCED THIS WEEK

Sen. Dean Heller (R-NV) introduced **S.2107** to amend title 38, United States Code, to require the HHS Under Secretary of Health to report major adverse personnel actions involving certain health care employees to the National Practitioner Data Bank and to applicable state licensing boards.

Sen. Susan Collins (R-ME) introduced **S.2076** to amend the Public Health Service Act to authorize the expansion of activities related to Alzheimer's disease, cognitive decline and brain health under the Alzheimer's Disease and Healthy Aging Program.

NEXT WEEK IN WASHINGTON

Congress returns Monday for a full week of work. Much of the focus will be on reforming the tax code. The Senate Finance Committee has scheduled a markup of its tax bill for Monday. Meanwhile, the Senate HELP Committee is having two health-focused hearings next week: "Encouraging Healthy Communities: Perspective from the Surgeon General" and "Gene Editing Technology: Innovation and Impact." On

Tuesday, the House Oversight and Government Reform Health Care subcommittee will hold a **hearing** on departmental regulatory reform task forces. Topics such as rolling back or modifying quality programs and electronic health records regulations are anticipated to be addressed at this hearing.

THIS WEEK IN WASHINGTON IN HISTORY

44 years ago today, 1973: By a two-thirds vote in the House and Senate, Congress overrides President Richard Nixon's veto of the War Powers Resolution, which limited presidential power to wage war without congressional approval.

34 years ago today, 1983: A bomb explodes in the U.S. Capitol's Senate Chambers area causing \$250,000 damages, but no one is harmed. A group calling itself the Armed Resistance Unit claimed the bomb was retaliation for U.S. military involvement in Grenada and Lebanon. The Senate bombing occurred three weeks after an earlier bombing attempt in the House Gallery. A man attempted to detonate a bomb with members on the House floor but was unsuccessful as it had been improperly wired.

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