

## HALL RENDER'S THIS WEEK IN WASHINGTON - FEBRUARY 2, 2018

### **GOP MOVING AWAY FROM ACA REPEAL EFFORTS**

Congressional Republicans met for their annual policy retreat this week in West Virginia. Key GOP lawmakers stated that there are no imminent plans to try again to fully repeal the Affordable Care Act ("ACA"). Instead, they are shifting their focus to passing legislation to lowering health care premiums. When addressing the Republican legislative retreat, President Trump focused mostly on non-health care priorities, aside from supporting the Right to Try legislation and lowering drug prices.

### **CONGRESS URGED TO PASS EXTENDERS WITH NEXT SPENDING BILL**

Congress faces pressure by more than 70 organizations to renew health care programs and policies known as "extenders" by February 8 or the next vote to fund the federal government. Extenders include programs such as the Community Health Center Fund, Medicare Dependent Hospitals, the low-volume hospital adjustment and the graduate medical education program. Congress is also under pressure to delay Medicaid Disproportionate Share Hospital payment cuts. Federal funding for many of these programs ran out on January 1, 2018. Even though lawmakers have mostly agreed upon extender policy and there is broad bipartisan support, funding passage has been held up by debates on other issues such as the debt ceiling and immigration.

Congress has until February 8 to fund the government in order to avoid another government shutdown. It is expected to pass another short-term funding measure before passing a long-term appropriations bill. The House could vote as early as Tuesday on a stopgap bill to fund the government through March 22. House leadership faces some obstacles in passing the measure as conservatives are threatening to oppose the bill without defense funding, and House Democrats have refused to back stopgap measures without securing immigration relief for DREAMers.

### **SENATE FINANCE CHAIR REQUESTS AZAR AND CMS TO TAKE UP 340B**

Senate Finance Committee Chairman Orrin Hatch (R-UT) has asked new HHS Secretary Alex Azar to consider moving the 340B drug discount program from Health Resources and Services Administration ("HRSA") to CMS. HRSA has run the 340B program from its beginning. Moving 340B to CMS would also shift congressional oversight to the Senate Finance Committee. Because CMS is already tasked with overseeing Medicare and Medicaid, Sen. Hatch believes CMS is better suited to administer the program. Since Sen. Hatch asked Azar to respond by February 26, a Senate hearing on 340B will likely be held in the spring.

### **THE STATE OF THE UNION ADDRESS QUIET ON HEALTH CARE**

President Trump delivered his first State of the Union Address to Congress on January 30. While the president did not have much to say regarding health care policy during the address, he did touch on drug prices and opioids. President Trump stated reducing prescription drug prices is a top priority and that he is committed to "fighting the drug epidemic and helping get treatment to those in need." The ACA received only one mention, and there was no call for Congress to take up ACA repeal in 2018.

### **CMS PROPOSES MODEST RATE HIKE FOR MEDICARE ADVANTAGE PLANS**

On February 1, CMS released its annual rate **notice** containing a series of proposals that will affect payments to health insurers in 2019. One proposal raises Medicare Advantage payments by 1.8 percent on average. Medicare Advantage accounts for roughly a third of Medicare beneficiaries with more than 20 million people enrolled. As part of CMS's efforts to address the overuse of pain medications, Medicare Part D plans will have new restrictions on opioid prescribing in 2019. Part D plans will have to retroactively review claims to see if members are likely to overuse opioids, and plans will have to implement a limit on initial prescription fills. CMS is also proposing to change the funding formula for employer-based Medicare payments. This was proposed in 2016 but was never implemented because employers and insurers argued it would result in unfairly reduced payments. CMS will accept comments until March 5. The final notice will be posted on April 2.

### **MACPAC PROPOSES APPROVAL FOR MEDICAID BENEFICIARIES INTO MANAGED CARE WITHOUT WAIVERS**

The Medicaid and CHIP Payment and Access Commission ("MACPAC"), a non-partisan legislative branch agency that advises Congress on Medicaid, voted this week to make it easier for states to place beneficiaries into managed care without first seeking a waiver from CMS. MACPAC recommended to lawmakers that they amend the federal statute allowing states to enroll Medicaid beneficiaries in managed care.

via a state plan amendment as opposed to waivers typically used by the state. Members had previously raised concerns that the state plan amendment process may not have the same level of regulatory oversight and public commenting processes as waivers but now recommends making this change to reduce the administrative burden on states.

## HEALTH-RELATED BILLS INTRODUCED THIS WEEK

Rep. David Kustoff (R-TN) introduced **H.R. 4903** to direct the Comptroller General to conduct a study and submit a report to Congress on best practices in use by federal departments and agencies to reduce opioid usage following medical procedures.

Sen. Marco Rubio (R-FL) introduced the Women and Lung Cancer Research and Preventive Services Act of 2018 (**S.2358**) to require studies on women and lung cancer. Rep. Frank LoBiondo (R-NJ) also introduced a version of this in the House (**H.R. 4897**).

## NEXT WEEK IN WASHINGTON

Congress returns Monday for a full week of legislative work. With the current spending bill expiring on February 8, Congress will focus on funding the government to avoid another government shutdown. On Tuesday, the House Ways and Means Committee will hold a **hearing** titled, "The Opioid Crisis: Removing Barriers to Prevent and Treat Opioid Abuse and Dependence on Medicare." The Senate HELP Committee will also hold a **hearing** on the opioid crisis on Thursday.

## THIS WEEK IN WASHINGTON IN HISTORY

**1835:** 183 years ago this week, during a funeral service in the House chamber of the U.S. Capitol, President Andrew Jackson survives the first ever assassination attempt on a U.S. President. A man later declared insane would discharge two separate pistol shots at Jackson. Both shots missed, and the would-be assassin was arrested.

**1975:** 43 years ago this week, President Gerald Ford launches his first state of the union speech by famously saying, "I must say to you that the state of the Union is not good." Ford is still the only president in U.S. history to start his address using these words.

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