

## HALL RENDER'S THIS WEEK IN WASHINGTON - JUNE 8, 2018

### **MORE CHANGES AHEAD FOR 340B**

The Human Resources and Services Administration ("HRSA") released a final rule delaying the effective date of implementation and enforcement of the previously issued final rule implementing the 340B Drug Discount Program. The delayed rule, which was originally published on January 5, 2017, established the methodology for calculating the 340B ceiling price and civil monetary penalties ("CMPs") for knowing and intentional overcharges of 340B covered entities. After repeated delays, this final rule further delays the effective date until July 1, 2019.

Also in this rule, HRSA signaled the intent to make additional changes to the 340B program, including changes affecting providers. The agency stated, "HHS plans to issue separate policy documents related to drug pricing in government programs, including the 340B program, and disagrees with the commenters advising HHS to address these issues concurrently." On June 19, the Senate Health, Education, Labor, and Pensions Committee will hold a hearing to discuss "Effective Administration of the 340B Drug Pricing Program."

### **RECESS CANCELLATION GIVES SENATE THE CHANCE TO ADDRESS HEALTH CARE**

Senate Majority leader Mitch McConnell (R-KY) cancelled three weeks of the Senate's August recess to "to pass legislation, including appropriations bills, and to make additional progress on the president's nominees." The House will continue with the August recess. House Majority Leader Kevin McCarthy (R-CA) said he doesn't see a reason for the lower chamber to cancel the August recess, arguing the House hasn't had the same challenges in completing its work as the Senate.

Senate Minority Leader Chuck Schumer stated he was hoping to use the extra time to enact legislation to reduce health care costs and prescription drug prices. Specifically, the priorities laid out by the minority leader are to: allow people to buy into Medicare at age 55; increase ACA tax credits; create a national reinsurance program; ensure people with pre-existing conditions don't get denied care; and lower prescription drug costs. Republican senators Ted Cruz (R-TX) and Lamar Alexander (R-TN) circulated a survey among colleagues to determine what policy goals the party could accomplish in the coming months, including health care priorities such as an Affordable Care Act opt-out for states and codifying short-term plans.

### **ADMINISTRATION CONSIDERING RENAME (AND REORGANIZATION) OF HHS**

The White House is potentially developing a plan to change the name of the Department of Health and Human Services ("HHS") as well as its organizational structure by moving safety net programs, such as food stamps, into the department. Formerly known as the "Health, Education, and Welfare" department until changed to "Health and Human Services" in 1979, the proposed new name could incorporate "welfare." As part of this plan, the White House is also looking to decrease spending on welfare programs. Hill staffers on several committees are critical of this idea because the shuffling would open up disagreements over committee jurisdiction of issues.

### **TRUSTEES PROJECT MEDICARE SHORTFALLS TO BEGIN IN 2026**

According to the [annual report](#) from the Medicare Board of Trustees, the Medicare Hospital Insurance Trust Fund will begin paying out more than it brings in by 2026, which is three years earlier than it projected last year. This is largely due to reduced revenues from payroll and Social Security taxes and higher than expected payments to hospitals and private Medicare plans last year. The report also states that Medicare's total costs under current law will rise steadily from their current level of 3.7 percent of gross domestic product in 2017 to 5.9 percent in 2042.

### **HEALTH-RELATED BILLS INTRODUCED THIS WEEK**

Rep. Brett Guthrie (R-KY) introduced [H.R. 6042](#) to amend Title XIX of the Social Security Act to delay the reduction in federal medical assistance percentage for Medicaid personal care services furnished without an electronic visit verification system.

Sen. Cory Gardner (R-CO) introduced [S.3014](#) to amend Title XVIII of the Social Security Act to support rural residency training funding that is equitable for all states.

Rep. Suzan K. DelBene (D-WA) introduced [H.R. 5997](#), the Ensuring Patient Access to Critical Breakthrough Products Act of 2018.

## NEXT WEEK IN WASHINGTON

Congress is back for a full legislative week. On June 12, the Senate Health, Education, Labor, and Pensions Committee will hold a **hearing** on President Trump's Drug Pricing Plan, which will include testimony by HHS Secretary Alex Azar. The Alliance for Health Policy will host a **webinar** on prescription drug costs on June 14. On June 12, the Senate Finance Committee will **consider bipartisan opioid legislation** focusing on preventing drug abuse and increasing access to treatment in response to the crisis.

## THIS WEEK IN WASHINGTON IN HISTORY

**2018 - this week**, the Washington Capitals won the Stanley Cup!

**1945 - 73 years ago this week**, President Harry Truman issued an executive order permitting the release of scientific information from previously top secret World War II documents. He hoped the information might help stimulate America's developing industries in the post-World War II economy. The order provided for the release of scientific and technical data, including highly sensitive information from World War II weapons programs but only after it had been reviewed first by the War and Navy Departments.

**1886 - 132 years ago this week**, President Grover Cleveland submits a proposal to the Senate that outlines conventions for extraditing criminals of Japanese nationality who had committed crimes on U.S. soil then escaped to Japan back to the U.S. for trial. The plan had already been agreed to by the Japanese government. Cleveland's approval of this measure reflected an increasingly restrictive American policy toward immigrants.

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