

HALL RENDER'S THIS WEEK IN WASHINGTON - DECEMBER 7, 2018

CONGRESS PASSES TWO-WEEK STOPGAP FUNDING MEASURE

On December 6, Congress passed a continuing resolution that extends current funding for select federal agencies for two weeks. The extension became necessary after the services for former President George H.W. Bush halted almost all legislative activity on Capitol Hill this week. Lawmakers will now have until December 21 to negotiate a final agreement on outstanding spending issues. President Trump signed the continuing resolution on Friday to avoid a partial government shutdown. The extension includes funding for the Food and Drug Administration, the Indian Health Service and international health assistance programs. All other health agencies within HHS were funded via the regular appropriations process earlier this year.

WHITE HOUSE RELEASES HEALTH COMPETITION REPORT

The Trump administration released a [report](#) with recommendations for increasing competition for health care services, including action items for Congress, federal agencies and states. The report was released in response to a 2017 executive order to facilitate the discussion of increasing and maintaining high-quality health care at affordable prices by promoting choice and competition.

This brings up whether customers should be exposed to more direct costs through expanded use of HSAs and calls for weighing whether HHS can unilaterally allow health plans that cover preventive low-cost treatments for chronic conditions to offer an HSA option. Most experts agree that changes to HSAs would require approval from Congress. The report also called on HRSA to identify needs for physicians in different specialties and different geographic areas and whether current workforce development programs meet those needs. The administration would like Congress to merge different graduate medical education funding streams into a single grant program and allow the HHS Secretary to distribute funds to address priority specialties or workforce shortages.

The report also says federal agencies "should eliminate any federal rules or policies that create unnecessary barriers" to price transparency efforts. Another issue raised in the report is whether the number of health providers can be increased by making it easier for physicians to be licensed to practice, including across state lines. The report recommends that HHS identify foreign medical residency programs for post-medical school training that are "comparable in quality and rigor to American programs" and allow graduates of those programs to apply directly for state licensure rather than go through a U.S. residency program, as is currently required.

Lastly, the report focuses on state policies the administration sees as making it harder for health providers to be competitive. It suggests getting rid of state "certificate-of-need" laws, currently available in 35 states, that require state approval for health facility construction and expansion.

MEDPAC RECOMMENDS CHANGES TO MEDICARE PROVIDER PAYMENTS

The Medicare Payment Advisory Commission ("MedPAC") provided many recommendations for changes to Medicare provider payments at its monthly meeting this week. MedPAC commissioners encouraged the idea of requiring non-doctor practitioners, such as physician assistants and nurse practitioners, to bill Medicare directly, instead of for the so-called "incident to" services they provide that are paid at higher rates under the Part B physician outpatient payment program. The panel also called for the HHS to better define specialty designations for physician assistants and advanced practice registered nurses.

MedPAC also recommended Congress eliminate a planned increase in payments to outpatient surgery centers in 2020. The reasoning it provided was that outpatient surgery centers do not provide cost data to CMS as required by other providers. Thus, the panel also called on HHS to require outpatient surgery centers to report cost and quality data.

In MedPAC's next annual report to Congress, commissioners will identify ways to improve access to primary care to address the physician shortage problem. The Commission will meet again next month to decide on the final recommendations to include in its congressional report in March.

HEALTH-RELATED BILLS INTRODUCED THIS WEEK

Rep. Kurt Schrader (D-OR) introduced [H.R. 7223](#) to amend Title XIX of the Social Security Act to prevent the misclassification of drugs for

purposes of the Medicaid drug rebate program.

Rep. Joe Barton (R-TX) introduced **H.R. 7217** to amend Title XIX of the Social Security Act to provide States with the option of providing coordinated care for children with complex medical conditions through a health home.

Sen. Ron Wyden (D-OR) introduced **S. 3702** to amend Title XIX of the Social Security Act to prevent the misclassification of drugs for purposes of the Medicaid drug rebate program.

NEXT WEEK IN WASHINGTON

After passing the two-week extension of government funding, Congress will return to Washington next week to start negotiating what should be included in the funding provisions. Many insiders are saying that Capitol Hill action will not heat up until the week of December 17. In addition to funding the agencies, Congress needs to tackle other items such as new disaster funding, the Violence Against Women Act renewal and the farm bill with flood insurance.

On December 11, the House Energy and Commerce Health Subcommittee will hold a hearing on "Implementing the 21st Century Cures Act: An Update from the Office of the National Coordinator."

THIS WEEK IN WASHINGTON IN HISTORY

2018, this week: The casket carrying the remains of George H.W. Bush arrived at the U.S. Capitol where the nation said farewell to the 41st president. The 41st president spent three days lying in state for people to pay their respects in the Capitol Rotunda.

1987, 31 years ago this week: Mikhail Gorbachev arrived in the United States for a summit with Ronald Reagan despite protests in Washington concerning Soviet human rights abuses. This resulted in one of the most significant arms control agreements of the Cold War. Additionally, Gorbachev and his wife charmed the American media by praising the United States and calling for closer relations between the Soviet Union and America.

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