

## HALL RENDER'S THIS WEEK IN WASHINGTON - JANUARY 18, 2019

### GOVERNMENT SHUTDOWN CONTINUES

With the partial government shutdown now on its 28th day, there is no doubt it will enter its second month. Lawmakers are headed home for the long holiday weekend, and no shutdown negotiations are currently scheduled for party leaders. House Democrats spent the week passing numerous continuing resolutions that would reopen the government. However, these continuing resolutions failed in the Senate, despite a bipartisan push to reopen the government. Although most agencies that fall under HHS have been funded, funding for FDA is handled through different legislation. The FDA plans to preserve resources amid the partial government shutdown by furloughing more employees and suspending lower-priority tasks in order to shift money toward reviewing critical drugs, including new treatments for depression, diabetes and several types of cancer.

On Thursday evening, the Democratic House majority introduced a \$271 billion, **six-bill package** to fund the remaining agencies of the government that reflects prior agreements between appropriators in both the House and Senate that were never passed into law. The package does not include the Homeland Security spending bill, which has held up movement on all other government funding due to a dispute over President Trump's \$5.7 billion request for a U.S.-Mexico border wall. The package would also pay federal employees who have been working without pay or who have been furloughed. The Senate is not likely to take up this package until leaders come to an agreement over the heated border security dispute.

### SENATE CLEARS MEDICAID EXTENDERS MEASURE

On January 17, the Senate passed by voice vote **legislation** to extend certain Medicaid policies known as "extenders." The measure will go to the president's desk for signature since the House passed the bill last week. The extenders were passed late last session by both the House and the Senate but through different bills that were never signed into law.

This bill alters several Medicaid programs and funding mechanisms. Specifically, the bill includes \$112 million for a roughly three-month extension of the Money Follows the Person demonstration, which helps state Medicaid programs transition older adults and people with chronic illnesses back into their communities. It also temporarily extends the applicability of Medicaid eligibility criteria that protect against spousal impoverishment for recipients of home- and community-based services. Additionally, it reduces the federal medical assistance percentage (i.e., federal matching rate) for states that have not implemented asset-verification programs for determining Medicaid eligibility and reduces funding available to the Medicaid Improvement Fund beginning in FY 2021.

### HOUSE LEADERSHIP APPOINTS HEALTH SUBCOMMITTEES' CHAIRMEN

This week, House leadership finalized subcommittee leadership positions, which means the panels may now start scheduling hearings. For the House Energy and Commerce Committee, Rep. Anna Eshoo (D-CA) will lead the Health Subcommittee, while Rep. Diana DeGette (D-CO) will keep her post as the leader of the Oversight and Investigations Subcommittee. Rep. Lloyd Doggett (D-TX) has been tapped to chair the House Ways and Means Health Subcommittee.

Chairman Eshoo told reporters she plans to hold a hearing on Medicare-for-all proposals but ended up walking back the promise. Chairman Eshoo later said her subcommittee needed to prioritize shoring up Obamacare and crafting sweeping drug price reforms and will see if there's any "spare time" to tackle Medicare for All — an outcome that she suggested was unlikely. Chairman Doggett co-authored the Medicare negotiation bill and is a vocal advocate of a drug price overhaul.

### MEDPAC RELEASES PAYMENT RECOMMENDATIONS FOR 2020

The Medicare Payment Advisory Commission, or MedPAC, voted this week on payment recommendations for 2020 that includes a boost in payments for high-performing hospitals. The recommendations include a 2 percent payment hike for long-term care hospitals because of concerns that current payment rates are inadequate. Commissioners voted to eliminate 2020 pay hikes for nursing homes and ambulatory surgical centers while slashing reimbursements to both rehab facilities and home health agencies by 5 percent. They also recommended Congress maintain scheduled pay raises for physicians and to require advanced practice nurses and physician assistants to bill Medicare directly instead of through a physician.

Additionally, MedPAC recommended that Congress pass legislation to consolidate most of Medicare's value-based quality programs which would overhaul the three current value-based programs on value-based purchasing, reducing readmissions and reducing hospital-acquired conditions. The proposed Hospital Value Incentive Program, or HVIP, would remove 0.5 percent in penalties associated with the current programs, resulting in a 3.3 percent increase in reimbursements overall. HVIP, first outlined in the June 2018 report, would award bonus payments to high-performing facilities, accounting for difference in risk factors by grouping similar facilities together.

## HEALTH-RELATED BILLS PASSED THIS WEEK

Rep. Jeff Fortenberry (R-NE) introduced **H.R. 660** to improve the health outcomes in communities through community-relevant health information and new health supporting incentives and programs funded without further appropriations.

Rep. Earl Blumenauer (D-OR) introduced **H.R. 652** to direct the Secretary of Health and Human Services to issue a final regulation based on the proposed regulation relating to the Programs of All-Inclusive Care for the Elderly under the Medicare and Medicaid programs.

Rep. Eliot Engel (D-NY) introduced **H.R. 647** to amend the Public Health Service Act to increase the number of permanent faculty in palliative care at accredited allopathic and osteopathic medical schools, nursing schools, social work schools and other programs, including physician assistant education programs, to promote education and research in palliative care and hospice and support the development of faculty careers in academic palliative medicine.

Rep. Marc Veasey (D-TX) introduced **H.R. 584** to amend Title XIX of the Social Security Act to provide the same level of federal matching assistance for every state that chooses to expand Medicaid coverage to newly eligible individuals, regardless of when such expansion takes place.

Sen. Cory Gardner (R-CO) introduced **S.172** to delay the reimposition of the annual fee on health insurance providers until after 2021.

Rep. Lucille Roybal-Allard introduced **H.R. 576** to expand Medicare coverage to include eyeglasses, hearing aids and dental care.

## NEXT WEEK IN WASHINGTON

Party leaders are expected to continue negotiations to find common ground to end the partial government shutdown. However, such meetings have not been scheduled as of press time. Health-related subcommittees in the House may hold hearings, but nothing is currently scheduled.

## THIS WEEK IN WASHINGTON IN HISTORY

**1803, 216 years ago this week:** President Thomas Jefferson requests funding from Congress to finance the Lewis and Clark expedition. Jefferson officially asked for \$2,500 in funding from Congress, though sources indicate the expedition ultimately cost closer to \$50,000.

**1919, 100 years ago this week:** President Woodrow Wilson attends the Paris Peace Conference, which would formally end World War I and lay the groundwork for the formation of the League of Nations.

For more information, please contact:

- **John Williams III** at (202) 370-9585 or [jwilliams@hallrender.com](mailto:jwilliams@hallrender.com);
- **Andrew Coats** at (202) 370-9587 or [acoats@hallrender.com](mailto:acoats@hallrender.com);
- **Abby Kaericher** at (202) 780-2989 or [akaericher@hallrender.com](mailto:akaericher@hallrender.com); or
- Your regular Hall Render attorney.