

HALL RENDER'S THIS WEEK IN WASHINGTON - MARCH 1, 2019

HOUSE DEMOCRATS UNVEIL SINGLE-PAYOR LEGISLATION

House Democrats introduced sweeping "Medicare for All" legislation, providing the most detailed plan to overhaul the current health care system by enrolling all U.S. residents in a single-payor, government-run health plan. It would cover a more expansive set of benefits than the current Medicare program and restructure payment for institutional health care providers such as hospitals and skilled nursing facilities. The measure does not include a price tag or specific proposals for financing the new system, which analysts estimate would cost tens of trillions of dollars over a decade. The lead sponsor, Rep. Pramila Jayapal (D-WA), said she will release a separate list of suggested funding mechanisms.

The single-payor, government-run health care system under Medicare for All would cover a range of services at no out-of-pocket cost to patients. The measure would not only cover primary and preventive care, as well as inpatient and outpatient hospital services, but also long-term care support services that are not currently covered by Medicare. Every insurance program in the U.S. would be changed, leaving only the veterans' health program and the Indian Health Service in place. Providers such as hospitals or skilled-nursing facilities would be paid through a global budget so that hospitals would receive a quarterly lump sum to cover items and services. Additionally, individual providers would be paid based on a national fee schedule set by the HHS secretary. A section-by-section summary of the bill, along with other information on the legislation, can be found [here](#).

Medicare for All and what it represents has already emerged as a key issue in the 2020 Democratic primary. The legislation has 107 Democratic co-sponsors or roughly 46 percent of the House's Democratic caucus. While there is a lot of buzz surrounding this legislation, it is unlikely that the measure will be acted on soon. It's not certain the House will vote on it as House leadership is trying to focus on narrower, more popular proposals such as strengthening the Affordable Care Act and lowering drug prices. Additionally, Senate leaders are unlikely to bring it up for a vote.

CMS SEEKS FEEDBACK ON HOSPITAL STAR RATINGS

On Thursday, CMS updated hospital performance data on the Hospital Compare website and on data.medicare.gov. This data includes specific measures of hospitals' quality of care, many of which are updated quarterly, and the Overall Hospital Star Ratings, which were last updated in December 2017.

Also, CMS is seeking comments on their suggested changes to the hospital star rating system. Stakeholders should provide feedback on whether the agency should separate hospitals into "peer groups" when comparing how they perform on the 57 measures considered in star rating assignment. Hospitals could be separated by metrics such as bed-size or status (e.g., community or teaching). CMS stated the changes and comment solicitation are in response to stakeholder feedback that the star ratings methodology needs to be changed to more effectively assess hospital quality.

Comments are due **March 29, 2019** and should be sent to cmsstarratings@yale.edu.

PHARMA EXECUTIVES DRUG TO SENATE FINANCE HEARING

On February 26, seven pharmaceutical executives testified before the Senate Finance Committee to address prescription drug pricing. In an over three-hour hearing, senators noted that drug prices are astronomically high and asked the industry executives to describe and defend their drug pricing strategies. Ranking member Sen. Ron Wyden (D-OR) called out individual strategies employed by each company, which, he believes, may be a cause of high pricing.

When discussing legislative fixes for the drug pricing problem, many of the drug executives warned lawmakers that any "outrageous solutions" to lower drug prices could impede industry innovation. Four of the witnesses partially endorsed a bipartisan measure, the CREATES Act ([S. 340](#)), which deters brand name companies from blocking generic manufacturers access to product samples. Throughout the hearing, executives mostly stuck to the standard industry defenses as to why pricing is high. Arguing the drug rebate system is a major factor in high drug prices, the executives supported HHS's proposed rule to overhaul the rebate system. The witnesses repeatedly claimed that pharmacy benefit managers should carry a lot of the blame for high drug prices since they have strong negotiating powers over

drugmakers and can threaten to exclude drugs from the formulary lists.

HEALTH-RELATED BILLS INTRODUCED THIS WEEK

Sen. Chris Coons (D-DE) introduced **S. 618** to amend Title XVIII of the Social Security Act to encourage Medicare beneficiaries to voluntarily adopt advance directives guiding the medical care they receive.

Sen. John Barrasso (R-WY) introduced **S. 596** to amend Title XVIII of the Social Security Act to provide for direct payment to physician assistants under the Medicare program for certain services furnished by such physician assistants.

Sen. Bill Cassidy (R-LA) introduced **S. 594** to amend Title XVIII of the Social Security Act to preserve access to rehabilitation innovation centers under the Medicare program.

Rep. Angie Craig (D-MN) introduced **H.R. 1425** to amend the Patient Protection and Affordable Care Act to provide for a Improve Health Insurance Affordability Fund to provide for certain reinsurance payments to lower premiums in the individual health insurance market.

Rep. Ron Kind (D-WI) introduced **H.R. 1375** to amend Title XVIII of the Social Security Act to provide for transparency of Medicare secondary payor reporting information.

NEXT WEEK IN WASHINGTON

Congressional committees are busy next week tackling various issues in health care. On Wednesday, the House Energy and Commerce Health Subcommittee hosts a **hearing** on "Strengthening Our Health Care System: Legislation to Lower Consumer Costs and Expand Access." The House Judiciary Antitrust, Commercial and Administrative Law Subcommittee holds a hearing on "Diagnosing the Problem: Exploring the Effects of Consolidation and Anticompetitive Conduct in Health Care Markets" on Thursday. Also on Thursday, the House Ways and Means Health Subcommittee holds a **hearing** on "Promoting Competition to Lower Medicare Drug Prices."

On the Senate side, the Senate Health, Education, Labor and Pensions Committee holds a **hearing** on Vaccine-Preventable Disease Outbreaks on Tuesday. The Senate Finance Committee holds a **hearing** on "Not Forgotten: Protecting Americans From Abuse and Neglect in Nursing Homes" on Wednesday. The Senate Special Committee on Aging will hold the second part of its series on reducing prescription drug prices on Thursday.

THIS WEEK IN WASHINGTON IN HISTORY

1961, 58 years ago this week - President John F. Kennedy establishes the Peace Corps as a new agency within the Department of State. He also sent a message to Congress asking for permanent funding for the agency, which would send trained American men and women to foreign nations to assist in development efforts.

1971, 48 years ago this week - A bomb explodes in the Capitol building in Washington D.C.! It caused an estimated \$300,000 in damage but did not hurt anybody. A group known as the "Weather Underground" claimed credit for the bombing, which was done in protest of the ongoing U.S.-supported Laos invasion.

For more information, please contact:

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