



Health Policy Briefing

March 25, 2019

House Dems to Unveil “Sweeping” Health Bill Tuesday

House Speaker Nancy Pelosi (D-Calif.) has announced that Democrats plan to release a “sweeping” piece of health care legislation tomorrow (March 26). The bill will be aimed at lowering health premiums and out-of-pocket costs and protecting individuals with pre-existing conditions. The timing of the introduction is set to coincide with the ninth anniversary of the Affordable Care Act (ACA) being signed into law, and the legislation is expected to address what Democrats characterize as the Trump administration’s sabotage of the law.

HELP Sends Surprise Billing Policies to CBO for Analysis

The Senate Health, Education, Labor, and Pensions (HELP) Committee has sent the Congressional Budget Office (CBO) a series of options for analysis that would protect patients from surprise billing. One option sent to CBO for consideration would entail an arbitration process to determine how much the insurer pays the doctor or hospital. Another option would set a payment rate based on a percentage of Medicare’s payment rates or another similar metric. Under a third option, a single hospital bill would be sent to the insurer that includes all doctor’s fees. Additional policies were also sent to the CBO for consideration. Chairman Lamar Alexander (R-Tenn.) and Ranking Member Patty Murray (D-Wash.) are currently working with a bipartisan group of senators, including Bill Cassidy (R-La.), Michael Bennet (D-Colo.), and Maggie Hassan (D-N.H.), on a legislative solution to the issue of surprise billing.

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Finance Committee Questions POD Reporting

Bipartisan leadership of the Senate Finance Committee have sent a [letter](#) to the U.S. Department of Health and Human Services (HHS) Office of the Inspector General (OIG) and the Centers for Medicare and Medicaid Services (CMS) outlining concerns about physicians who fail to disclose when they have a financial stake in the medical devices that are supplied to their practices. A physician-owned distributorship (POD) is an arrangement in which a physician purchases ownership shares in an entity that sells medical devices used in the physician's surgeries. Chairman Chuck Grassley (R-Iowa) and Ranking Member Ron Wyden (D-Ore.) ask the agencies how they are coordinating to ensure that POD reporting is taking place and that the data reported is accurate. They also ask about what changes can be made to the Sunshine Act or the Stark Law to improve the accuracy of reporting, and whether OIG's hospital guidance has been updated to account for such distributorships. The lawmakers request a response no later than April 15.

Azar Calls for Stark Law Update

HHS Secretary Alex Azar has suggested that laws which prohibit providers from having a financial stake in the entities to which they refer patients are hindering the advancement of value-based care. Azar recognized the importance of preventing health care fraud, while expressing support for updating the 30-year-old anti-kickback statute known as the Stark Law during a speech before a conference of health lawyers last week. The administration sought input on a proposal to update the anti-kickback statute in June 2018, and CMS Administrator Seema Verma has stated that a regulation to reform the Stark Law will be issued later this year.

Energy and Commerce Expands Investigation into Short-Term Health Plans

The House Energy and Commerce Committee has sent two additional letters to [Pivot Health](#) and [LifeShield National Insurance Co.](#) as a part of its probe into the sale of short-term, limited-duration health insurance plans. Democratic lawmakers characterize such plans as "junk" insurance because they do not have to comply with all of the ACA's consumer protections and they have expressed concerns that consumers are being misled about the benefits covered by such plans. The panel requests information from Pivot Health and LifeShield about their policies and marketing practices for short-term, limited-duration health insurance products.

WH Releases Full FY 2020 Budget Details

One week after releasing the main volume of the President's budget request for fiscal year (FY) 2020, the White House issued its full budget [appendix](#) with program level [information](#).

Upcoming Congressional Hearings and Meetings

Senate Health, Education, Labor, and Pensions Committee hearing “Implementing the 21st Century Cures Act: Making Electronic Health Information Available to Patients and Providers;” 10:00 a.m., 430 Dirksen Bldg.; March 26

House Budget Committee hearing “Department of Health and Human Services FY 2020 Budget;” 10:00 a.m., 210 Cannon Bldg.; March 26

Senate Veterans’ Affairs Committee hearing “to examine the President’s proposed budget request for fiscal year 2020 and advanced appropriations requests for fiscal year 2021 for the Department of Veterans Affairs;” 10:00 a.m., 418 Russell Bldg.; March 26.

House Appropriations Subcommittee on Agriculture, Rural Development, Food and Drug Administration, and Related Agencies Member Day hearing; 2:30 p.m., 2362-A Rayburn Bldg.; March 26

House Appropriations Subcommittee on the Departments of Labor, Health and Human Services, Education, and Related Agencies Member Day hearing; 10:00 a.m., 2358-C Rayburn Bldg.; March 27

House Appropriations Subcommittee on Military Construction, Veterans Affairs, and Related Agencies Hearing on Veterans Affairs FY 2020 Budget; 1:00 p.m., 2359 Rayburn Bldg.; March 27

Senate Appropriations Agriculture, Rural Development, Food and Drug Administration, and Related Agencies Subcommittee hearing to review the Fiscal Year 2020 funding request and budget justification for the Food and Drug Administration; 10:30 a.m., 138 Dirksen Bldg.; March 28

First Week of April – House Energy and Commerce Oversight Subcommittee hearing on insulin pricing; time and place TBD

Senate Finance Committee hearing on drug pricing with pharmacy benefit managers invited to testify; time and place TBD; April 9