



Health Policy Briefing

January 3, 2018

McConnell Comments on 2018 Agenda

During the holiday recess, Senate Majority Leader Mitch McConnell (R-Ky.) made comments indicating that the Senate would be moving on from attempts to repeal and replace the Affordable Care Act (ACA), while also leaving room for Sens. Lindsey Graham (R-S.C.) and Bill Cassidy (R-La.) to continue work on their repeal legislation. When Sen. Graham countered that he will continue to push the Graham-Cassidy plan in the coming year, McConnell stated his support for a vote on the bill if it has enough support to pass. McConnell stated that the Senate would be turning its focus to issues on the GOP agenda with a greater possibility of success in a 51-49 Senate following Doug Jones (D-Ala.) swearing in on January 3. Speaker of the House Paul Ryan (R-Wis.) does not believe that Obamacare repeal is done with, and has also expressed support for tackling entitlement spending and welfare reform in the coming year. Sen. McConnell, however, attempted to lower expectations for entitlement reform, noting that it has been historically impossible without bipartisan agreement.

IL Lawmakers Urge Medicaid Waiver Decision

The Illinois congressional delegation has **written** to the Centers for Medicare and Medicaid Services (CMS) demanding action on the Medicaid waiver application submitted by the state in 2016. Section 1115 waivers allow states to customize their programs according to their specific Medicaid population, as long as the changes promote overarching program objectives. The bipartisan group of Illinois’ lawmakers argue that their state’s proposal would improve behavioral health care and the opioid epidemic across the state. Thirty-six applications currently await action by the Administration, despite encouragement from CMS Administrator Seema Verma for states to use waivers to modernize the Medicaid program.

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Senate Finance Schedules Azar Confirmation Hearing

The Senate Finance Committee announced plans to hold a hearing on the nomination of Alex Azar to serve as Secretary of the U.S. Department of Health and Human Services (HHS) on January 9. While Democrats will likely raise questions about rising drug costs and the nominee's ties to the pharmaceutical industry, Azar is expected to be confirmed by the Senate later this year.

Hatch to Retire at the End of Term

Sen. Orrin Hatch (R-Utah) has announced his plans to retire at the end of the year following seven terms in the Senate. Sen. Hatch was first elected to the Senate in 1976 and is the longest-serving Republican in the chamber. He is the president pro tempore of the Senate and has served as the chairman of the Senate Finance Committee since 2015. Sen. Hatch is the third in a total of eight Republicans up for reelection this year to announce his retirement. Some expect former GOP presidential nominee Mitt Romney to run for the Utah seat.

340B Lawsuit Dismissed

The U.S. District Court for the District of Columbia has dismissed a lawsuit from the hospital industry aimed at preventing cuts to the 340B drug discount program. A recent final rule from the Centers for Medicare and Medicaid Services (CMS) reduces Medicare payments to certain hospitals for outpatient drugs purchased under the 340B program by \$1.6 billion effective January 1. The Judge found that the plaintiffs, including the American Hospital Association, Association of American Medical Colleges, and America's Essential Hospitals, failed to provide any concrete claim for reimbursement and were prematurely suing the agency given that the cuts had not yet taken effect. The groups have said that they will continue to pursue the lawsuit and plan to refile their complaint after the reimbursement cuts have taken place.

White House Summarizes 2017 Opioid Epidemic Efforts

The Trump Administration has issued a summary of its actions to combat the opioid crisis in the year 2017. The **summary** includes U.S. Department of Health and Human Services (HHS) awards, research at the National Institutes of Health (NIH), and crackdowns by the Justice Department. The White House has also formally **responded** to the recommendations from the President's Opioids Commission on how to fight the misuse and abuse of prescription painkillers, largely endorsing the Commission's 56 recommendations. The Office of National Drug Control Policy (ONDCP) stated that it will maintain the opioid crisis as a top priority and continue to focus on both preventing new addictions and supporting those suffering from addiction through recovery.

Remaining PACHA Members Dismissed

The Trump Administration has fired the remaining members of the Presidential Advisory Council on HIV/AIDS (PACHA). A significant number of PACHA members resigned from the council last year in protest of the Administration's lack of strategy to address HIV/AIDS and its support for repeal of the Affordable Care Act (ACA). The remaining 10 council members were informed that their appointments were terminated on December 29. The PACHA provides the White House with recommendations on how to effectively implement the Updated National HIV/AIDS Strategy, as well as monitor the Strategy's implementation. The White House has not indicated when it will make new appointments to the council. However, a **call for nominations** was published in the Federal Register on December 1, 2017 and the deadline for submission was January 2, 2018.

Obamacare Enrollment Exceeds Expectations

The Centers for Medicare and Medicaid Services (CMS) announced that nearly nine million people enrolled in the federal Obamacare exchanges this year. These enrollment figures are viewed as a resounding success by supporters of the Affordable Care Act (ACA). Last year, 9.2 million people signed up for coverage during an open enrollment period that was twice as long.

OMB Reviewing DME Payment Rates Rule

The Office of Management and Budget is in the process of reviewing rules that would increase the Medicare payment rate for some durable medical equipment (DME) suppliers in some areas as well as change the way the rates are set. Suppliers have argued that the current rates for items like oxygen equipment and wheelchairs are too low to make a profit.

Upcoming Congressional Hearings and Meetings

Senate Health, Education, Labor, and Pensions (HELP) Committee hearing “The Opioid Crisis: An Examination of How We Got Here and How We Move Forward;” 10:00 a.m., 430 Dirksen Bldg.; January 9

Senate Finance Committee hearing to consider the anticipated nomination of Alex Michael Azar II, of Indiana, to be Secretary of Health and Human Services; 10:00 a.m., 215 Dirksen Bldg.; January 9