

McDermottPlus Check-Up

McDermott+Consulting is pleased to introduce the McDermottPlus Check-Up, your regular update on health care policy from Washington, DC.



This Week's Diagnosis: All eyes are on the midterm election, now less than three weeks away. The House and Senate are out; the Administration continues to release health-related regulations and announcements.

CONGRESS

- + **SENATE LEAVES TOWN WITHOUT PREPAREDNESS REAUTHORIZATION.** The Senate and House have a growing to-do list during the lame duck session and the Senate is expected to act quickly on a few items when it returns after the election, with Preparedness Reauthorization topping the list. The House passed the Pandemic and All-Hazards Preparedness and Advancing Innovation Act of 2018 ([H.R. 6378](#)) at the end of September by voice vote. The bill reauthorizes activities relating to national public health emergencies and preparedness. The Senate passed a similar bill ([S. 2852](#)) out of committee in June, but with authorities expiring September 30, 2018 and flu season upon us, there is a sense of urgency. The House and Senate are expected to reconvene in Washington following the election for a lame duck session around November 13th.
- + **HEALTH AGENCIES STILL NEED FUNDING.** Although Congress reached a bipartisan agreement on funding for several federal agencies, including the US Department of Health and Human Services, in September, there are a few agencies operating under a continuing resolution through December 7, 2018. One of these is the Food and Drug Administration (FDA). With the FDA at the center of some of the Administration's prescription drug proposals and the election outcome unclear, FDA funding could become a sticking point in Congress

Administration

- + **CMS ANNOUNCES MAYHEW AS TOP MEDICAID OFFICIAL.** The Trump Administration announced that Mary Mayhew, former health commissioner in Maine under Governor Paul LePage, will serve as the new Deputy Administrator of the Centers for Medicare and Medicaid Services (CMS) and director of the Center for Medicaid and CHIP Services. Mayhew has been a vocal critic of Medicaid expansion and sought to tighten eligibility requirements in her previous position. The issues of Medicaid expansion in non-expansion states and imposing work requirements could look vastly different depending on what happens in November.
- + **BUDGET DEFICIT INCREASES; TRUMP THREATENS FIVE PERCENT SPENDING CUT.** The federal budget deficit reached \$779 billion in fiscal year 2018, the largest deficit since 2012. Administration officials [pointed](#) to increased federal spending as the cause. Senator Mitch McConnell (R-KY) blamed Medicare, Medicaid and Social Security for

driving the deficit increase. Democrats pointed to the sharp decline in corporate tax revenues after the Tax Cuts and Jobs Act of 2017 took effect. President Trump said that he would instruct federal departments to cut five percent from their budgets next year to reduce spending and lower the deficit. While structural reforms to Medicare are unlikely, budget pressure in Washington could lead to further efforts to control costs in entitlement programs post midterm elections.

- + **DRUG PRICES IN ADS IN OUR FUTURE.** On Monday, October 15, 2018, CMS released a [proposed rule](#) on drug price transparency that would require manufacturers to include the list price (defined as the wholesale acquisition cost) in direct-to-consumer television advertisements for prescription drug and biological products reimbursed through Medicare or Medicaid. This proposal is part of the broader [American Patients First](#) blueprint that the Administration released earlier this year. There is a 60-day public comment period.

Other

- + **MEDICARE ADVANTAGE OPEN ENROLLMENT.** October 15 marked the start of the open enrollment period for Medicare Advantage plans. A new [analysis](#) from the Kaiser Family Foundation showed that nationwide, 2,734 plans will be available for enrollment in 2019, an increase of 417 plans since 2018. This week at a conference hosted by America's Health Insurance Plans, CMS Administrator Seema Verma [highlighted](#) increased flexibility for health plans and growth of Medicare Advantage (while also taking the opportunity to criticize Democrats' Medicare for All proposals). The Administration has shown a strong interest in growing Medicare Advantage and using it as a platform to test innovation, including ways to address the social determinants of health. This is a trend we expect to continue at the agency-level regardless of what happens in November.

Next Week's Dose

- + Expect the Administration to keep moving through less controversial rulemaking in the lead-up to the election.

For more information, contact [Mara McDermott](#) or [Rachel Stauffer](#).

To subscribe to the McDermottPlus Check-Up, please contact [Jennifer Randles](#).

