

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: The State of the Union briefly highlighted a few Administration health initiatives. The House continues its focus on the Affordable Care Act (ACA). The Senate is pressuring CEOs from the largest drug manufacturers to testify.

CONGRESS

- + **HELP COMMITTEE ON PRIMARY CARE AND COST.** The Senate Help, Education, Labor and Pensions (HELP) Committee held another [hearing](#) in its series studying health care costs. This one focused on primary care coverage, specifically examining ideas related to how access to quick and affordable primary care can reduce costs. Witnesses suggested, among other things, providing incentives for providers to buy drugs directly from wholesalers, broadening use of health savings account, increasing workers' access to on-site clinics and reducing time spent on administrative tasks. Chairman Lamar Alexander (R-TN) revealed that he is working toward introducing and advancing legislation under the "lowering health costs" umbrella by the end of this year. Recall that Senator Alexander has a request for comments from stakeholders on the cost issue; responses are due March 1.
- + **ACA POLITICAL POSTURING ON DISPLAY IN THE HOUSE.** This week jumpstarted what we expect to be an ongoing partisan examination of health insurance coverage and the ACA.
 - Energy and Commerce Health Subcommittee Hearing on *Texas v. Azar* and Pre-Existing Conditions – largely featured political positioning. Chairwoman Anna Eshoo (D-CA) mentioned she is planning on holding more hearings on yet-to-be-introduced legislation that would reverse or seek to mitigate the Administration's efforts to weaken the individual insurance market.
 - House Education and Labor Hearing on Pre-existing Conditions – again, largely both sides sticking to the party lines, highlighted the fact that many of the ACA's protections do not currently apply to the large group market (this is largely due to the perception that employer-sponsored insurance was already providing ACA-like protections and benefits).
 - House Appropriations Committee – highlighted actions the Administration has taken with regard to the ACA's coverage provisions, with Democrats highlighting the Administration's efforts to weaken the law and Republicans highlighting new coverage options, such as short-term limited duration and association health plans.
- + **ADMINISTRATION'S 1332 GUIDANCE UNDER SCRUTINY.** House Democrats are beginning to push legislation reversing or limiting specific Administration ACA policies, including the

Trump Administration's October 2018 guidance expanding uses for the ACA's section 1332 waivers. Section 1332 of the ACA allows states to apply for waivers of certain provisions related to individual and small group coverage, but the statute provides guardrails around how far states can deviate from the law's requirements.

- Next week, the House Energy and Commerce Health Subcommittee will hold a legislative [hearing](#) entitled, "Strengthening Our Health Care System: Legislation to Reverse ACA Sabotage and Ensure Pre-Existing Conditions Protections." Based on Chairwoman Eshoo's comments at her Subcommittee ACA hearing this week, next week's hearing will feature legislation that would overturn the Administration's revised guidance on the section 1332 waiver, as well as bills to eliminate the short-term health plan rule and replenish the ACA advertising budget. Representatives Joe Courtney (D-CT), Annie Kuster (D-NH) and Don Beyer (D-VA) introduced a bill this week that would strike the Administration's recent section 1332 guidance. This bill is among those expected to be considered.
 - This also comes on the heels of a Government Accountability Office [request](#) from House Energy and Commerce Committee Chairman Frank Pallone (D-NJ) and Senate Finance Committee Ranking Member Ron Wyden (D-OR) on whether the section 1332 guidance is subject to the Congressional Review Act – a law that generally allows Congress to overturn regulations during a specified time period, and which is primarily used as a tool during the first months of a new administration.
- + **SENATE FINANCE SEEKS DRUG COMPANY CEO TESTIMONY.** Senate Finance Committee Chairman Charles Grassley (R-IA) and Ranking Member Ron Wyden (D-OR) [sent letters](#) to seven drug companies seeking testimony from the CEOs for a February 26 hearing on drug prices. All seven have confirmed their attendance.
- + **BIPARTISAN GROUP OF SENATORS SEEK MORE INFORMATION ON SURPRISE BILLING** Senators Bill Cassidy (R-LA), Michael Bennet (D-CO), Todd Young (R-IN), Tom Carper (D-DE), Lisa Murkowski (R-AK) and Maggie Hassan (D-NH) continued a bipartisan effort to address surprise billing with a [request for information](#) geared toward health care providers and insurers. They will use this information to help inform legislation to end the practice of surprise billing.
- While this bipartisan group of Senators has led efforts on this issue, leaders of the prominent health committees in the Senate (HELP and Finance) have expressed high interest in moving legislation on this issue this year.

ADMINISTRATION

- + **STATE OF THE UNION ADDRESS.** President Trump gave his state of the union speech, outlining several health policy priorities. Chief among them were lowering the cost of healthcare and prescription drugs and protecting patients with pre-existing conditions. The President announced new initiatives to fund research into childhood cancers and to allocate money to end the HIV epidemic in America within 10 years.

- + **ADMINISTRATION ANNOUNCES PLAN TO END HIV EPIDEMIC.** Following the State of the Union announcement, US Department of Health and Human Services Secretary Alex Azar further [detailed the plan](#) to reduce new HIV infections by 75 percent in the next five years and by 90 percent in the next 10 years. The plan will focus on (1) increasing investments in geographic hotspots through existing programs and a new program offered through community health centers; (2) using data to identify where HIV is spreading and guide decision-making to address prevention, care and treatment needs; and (3) providing funds to create an HIV HealthForce in targeted areas to prevent and treat HIV.

NEXT WEEK'S DOSE

The House Ways and Means Committee will join the drug pricing [hearing](#) parade on February 12. The witnesses are not yet announced.

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

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