

# 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:** Congress gets busy. Pharmaceutical CEOs testify and emerge unscathed. The Administration is quiet.

## Congress

- + **CEOs TESTIFY AND MAKE LITTLE WAVES.** The Senate Finance Committee held its long-anticipated hearing on prescription drug pricing where CEOs from seven drug companies testified. The top three takeaways: (1) Senator John Cornyn (R-TX) was not happy with how drug companies currently use exclusivity and patent protections; (2) Senator Bill Cassidy's (R-LA) line of questioning suggests he might support negotiation in Part D, a policy popular with Democrats; and (3) Chairman Chuck Grassley (R-IA) revealed pharmacy benefit managers will be the next to appear in front of the Committee, although timing is unknown.
- + **MEDICARE FOR ALL RELEASED.** More than 100 House Democrats, led by Representative Pramila Jayapal (D-WA), introduced the Medicare for All Act ([H.R. 1384](#)). The bill would effectively end the private insurance market within two years by transitioning all Americans into a government-run health insurance program. It allows the US Department of Veterans Affairs health system and the Indian Health Service to remain largely intact. The benefits provided by the federal program are broader than the Senate version of Medicare for All (led by Senator Bernie Sanders (I-VT)) and include long-term care and nursing services. There were no provisions included in the bill that would offset the cost, and there is no cost estimate at this time. There is not yet agreement among party leadership how to move forward on Medicare for All. As such, the House may slow-walk this through the committee process and it is unlikely to see action in the Senate. This issue, however, is already a prominent 2020 Democratic primary news item.
- + **INCREASED MEDICAID EXPANSION MONEY.** Senator Mark Warner (D-VA) introduced the States Achieve Medicaid Expansion (SAME) Act ([S. 585](#)), which would allow 100 percent federal reimbursement for states that expanded Medicaid after 2014. The Supreme Court's decision in *National Federation of Independent Business v. Sebelius* effectively ended the 100 percent contribution from the government in 2014. This bill would impact the 12 states that chose to expand Medicaid since 2014, including Senator Warner's own state of Virginia, which expanded the program late last year.
- + **SENATE FINANCE COMMITTEE INVESTIGATES NURSING HOME ABUSE AND NEGLECT.** Senate Finance Committee Chairman Chuck Grassley (R-IA) has opened an investigation into safety in nursing homes. The Committee has scheduled a hearing next week where Centers for Medicare and Medicaid Services (CMS) and Department of Justice officials will testify. The hearing will also feature the daughter of a woman who allegedly died in

an Iowa nursing home that had been cited for neglect. This is not expected to be the only hearing on this topic.

- + **PRESCRIPTION DRUG ACTION MOVES TO SENATE AGING.** The Senate Special Committee on Aging will hold two hearings next week on the rising cost of prescription drugs. On Wednesday, the [hearing](#) entitled *The Complex Web of Prescription Drug Prices, Part I: Patients Struggling with Rising Costs*, will feature patients. On Thursday, the [hearing](#) entitled *The Complex Web of Prescription Drug Prices, Part II: Untangling the Web and Paths Forward*, will feature academics. Committee Chair Susan Collins (R-ME) has previously expressed her support for the Administration's proposal to eliminate Medicare rebates and interest in expanding that ban to the commercial market.
- + **WAYS AND MEANS TAKES CLOSER LOOK AT PRESCRIPTION DRUGS.** House Ways and Means Health Subcommittee Chairman Lloyd Doggett (D-TX) will lead a [hearing](#) next Wednesday entitled, "Promoting Competition to Lower Medicare Drug Prices." The witnesses included academics and health advocacy organizations. Although the full Ways and Means Committee held a hearing last month on the rising cost of prescription drugs, we expect more specific legislative proposals to be discussed this time.

## Administration

- + **GOTTLIEB HINTS AT VARIETY OF POLICY CHANGES.** US Food and Drug Administration (FDA) Commissioner Scott Gottlieb testified before the House Appropriations Committee about the agency's upcoming agenda. A few highlights: (1) the FDA will bring a "safety signal tracker" for drugs from development to sale; (2) real world evidence efforts will include linking claims data on safety to patients' electronic health records; (3) standardizing templates for submitting new drugs; (4) updating FDA guidance on conducting clinical trials on effectiveness; and (5) the FDA will hold a public meeting on the regulation of cannabidiol products in April.

## Next Week's Dose

- + The drug pricing discussion continues next week with four committee hearings. We will be watching for lawmakers to say anything stakeholders don't already know. The Senate Finance Committee shifts its attention to oversight of nursing homes. Will members be focused on anecdotal issues or systemic issues? The answer is a signal for potential legislative action.

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