

McDermottPlus Health Care Preview

WEEK OF JULY 15, 2019



We head into another critical week before August recess.

+ **WHAT'S LEFT OF THE ADMINISTRATION'S PRESCRIPTION DRUG PRICING PROPOSALS?** Last week was a difficult week for the Administration regarding its drug pricing agenda. First, a federal district court overturned the Trump administration's recently implemented rule that requires drug companies to include a drug's list price in direct-to-consumer advertisements. Following that, the Administration announced that it would not implement its rebate rule, which would have removed the safe harbor for drug manufacturer rebates to Part D plans and pharmacy benefit managers. Both are a blow to the Administration's agenda to address prescription drug costs. The International Pricing Index (IPI) model remains to be proposed by the Administration. The IPI model intends to test phasing down the Medicare payment amount for selected Part B drugs to more closely align with international prices. Following the announcement of the rebate rule messaging from the Administration focused on the differences between international and US prices, suggesting that the Administration intends to move forward with the IPI model. According the Spring Regulatory Agenda, the IPI proposed rule is expected to be published in August. However, like with all these proposals, its future remains at risk, especially within the courts and with Republican members of Congress who could believe it is a step too far.

+ **WHEN WILL THE SENATE FINANCE COMMITTEE RELEASE ITS PRESCRIPTION DRUG PACKAGE?** We were asking this question last week, and are still asking it this week. It is currently unclear if the Senate Finance Committee will put forward the plan this week, although in a positive indicator of forward momentum, committee staff briefed committee members last week. Chairman Grassley (R-IA) and Ranking Member Wyden (D-OR) are working on putting together a significant and comprehensive prescription drug cost package. With that comes the difficult task of developing a package that reconciles the differing opinions from Democrats and Republicans. However, we received signals last week that the White House is pushing Senate Republicans to support the bill. That is a very positive sign in advancing the bill forward.

THIS WEEK IN THE SENATE

No health care related hearings or mark-ups in the Senate this week.

THIS WEEK IN THE HOUSE

Energy and Commerce

Oversight of Federal Efforts to Combat the Spread of Illicit Fentanyl

Tuesday, July 16, 10 am

Energy and Commerce

**Expected mark-up: No Surprises Act*

House to vote on H.R. 748, which would repeal the "Cadillac tax"

Wednesday, July 17

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