

# McDermottPlus Healthcare Preview

WEEK OF JANUARY 27, 2020



*The House is Back, but the Senate Remains Focused on Impeachment.*

- + **MEDICAID FISCAL ACCOUNTABILITY PROPOSED RULE AND MEDICAID BLOCK GRANTS.** This week, comments are due for the Medicaid Fiscal Accountability proposed rule (MFAR). Additionally, it is widely rumored that the Trump Administration may issue guidance to states on implementing Medicaid block grants. Although the two policies may seem vastly different on the surface, they actually go hand-in-hand.
- + MFAR is a complex regulation that makes significant changes to the structure and definition of Medicaid supplemental payments. The changes outlined in MFAR could cause substantial disruption in Medicaid programs across the country. If enacted, the regulation could decrease states' ability to generate state share of Medicaid financing. This may cause states to either find other avenues to generate state share (i.e., raise taxes) or look at ways to cut back on the Medicaid program.
- + Block grants, in general, provide state Medicaid programs a set amount of federal Medicaid funding, which can be trended forward overtime. Advocates of block grants argue that they provide more flexibility in implementing state Medicaid programs, while critics argue that block grants ultimately limit the amount of federal funding going to state Medicaid programs. This can cause reductions in services and coverage in the Medicaid program.
- + Both MFAR and block grant policies are fundamentally tied to reducing federal financing of the Medicaid program. With MFAR making it significantly more difficult for states to generate state share, states could look at ways to increase flexibility in the program and could turn to block grants or per capita caps as potential financing mechanisms.
- + **HEARINGS IN THE HOUSE.** The House is back in session this week and will have two hearings focused on healthcare – one on maternal health and another on transparency and safety in America's food and drugs. We listen for clues on potential areas of bipartisan collaboration.

## THIS WEEK IN THE SENATE

No health care related health care hearings in the Senate this week.

## THIS WEEK IN THE HOUSE

House Education and Labor Committee

[Expecting More: Addressing America's Maternal and Infant Health Crisis](#)

Tuesday, January 28 at 10:15 AM

House Energy and Commerce

[Improving Safety and Transparency in America's Food and Drugs](#)

Wednesday, January 29 at 10AM

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