



McDermottPlus Check-Up: June 18, 2021

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



This Week's Dose: Biden proposes a \$6 trillion budget and a vaccination sprint. Proposed legislation looks to boost residency programs.

Administration

- + **Biden's \$6 Trillion Budget Outlines High Hopes for Healthcare.** Building on the pared-down “skinny budget” released on April 9, the President released a full and more comprehensive budget plan on May 28. The President’s full budget is an ambitious blueprint for White House policy priorities in a narrowly controlled Democratic Congress. For the [U.S. Department of Health and Human Services \(HHS\)](#), Biden’s proposal calls for \$131.8 billion in discretionary budget authority and \$1.5 trillion in mandatory funding—a 23% increase over 2021. This includes broad proposals to allow Medicare to negotiate prices for prescription drugs; expand Medicare benefits to include vision, dental and hearing coverage; lower the Medicare eligibility age to 60 years old and create a public option in the federal ACA exchange marketplace. It also calls for significant investments across HHS agencies to advance health equity.
- + **White House Proposed ‘National Month of Action’ to Spur Vaccinations.** The [initiative](#) seeks to have 70% of adults in the U.S. at least partially vaccinated by Independence Day. The Month of Action will engage celebrities, businesses and community organizations at national and local levels. From lotteries to sweepstakes to accommodations for travel and childcare, the Biden Administration hopes that these incentives will drive up lagging vaccination rates and raise the current nationwide percentage of around 50% to 70% in just four weeks.

Congress

- + **Doctors of Community (DOC) Act Would Enhance Graduate Medical Education.** Senator Patty Murray (D-WA) and Representative Frank Pallone (D-NJ) are [sponsoring](#) a bill that would permanently authorize funding for the Teaching Health Center Graduate Medical Education (THCGME) program at \$500 million annually from 2024-2033. By more than tripling the current level of funding, the DOC Act could help create 100 new THCGME programs targeted at high-need communities, as well as 1,600 new residency slots, largely concentrated at Federally Qualified Health Centers, Rural Health Clinics and tribal health centers. If passed, the DOC Act would be largest investment in THCGME programs in 20 years.
- + **House Subcommittee Chair asks Government Accountability Office (GAO) to Investigate Private Equity Investment in Healthcare.** In March, the House Ways and Means Oversight Subcommittee continued inquiries into the role and implications of private equity investment in healthcare interests, and specifically looked at the potential impact of private equity buyouts of healthcare providers with a specific focus on nursing homes. In that hearing, witnesses described a need for additional data and transparency to have a better understanding of how private equity ownership can impact quality of care. Now, the Oversight Subcommittee Chair, Bill Pascrell (D-NJ), has [asked the GAO](#) to look at trends in bankruptcies following private equity acquisition of



healthcare providers; any geographic trends on buyouts followed by bankruptcies, including any disproportionate impact on underserved communities; and what is known about the impact of such bankruptcies on the healthcare workforce and patients. The panel's request and the ensuing report are potentially setting the stage for future legislative action.

Quick Hits

- + Moderna has applied for full approval from the U.S. Food Drug Administration (FDA) for its COVID-19 vaccine.
- + The U.S. Government Accountability office [announced](#) two new appointments and four reappointments to the Medicare Payment Advisory Commission (MedPAC).
- + The FDA [released](#) two final and two draft guidances to help stakeholders implement the next phases of the Drug Supply Chain Security Act.
- + The White House [released](#) its initial strategy for global vaccine sharing and allocation.

M+ Resources

- + On this week's [Breakroom podcast](#), Rodney Whitlock and Aaron Badida discuss the latest on plateauing U.S. COVID-19 vaccination rates and incentives.

NEXT WEEK'S DIAGNOSIS: The U.S. Supreme Court could hand down its decision on California v. Texas in a major ruling for the Affordable Care Act's future.



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