

Legislative and Regulatory Update from Washington, DC

What in the @!@&*@ is Washington doing?
Jill Rathbun, Galileo Consulting Group, Inc.

Presenter Name



Agenda - Let's Talk

- Is Congress Really Done for the Year?
- Secretary Azar and HHS – Starting to Get Things Moving
- 2018 Election - Reading the Tea Leaves
- Never too Early to Plan for 116th Congress



Is Congress Really Done for the Year?

- Hearings, Hearings and Hearings
 - Oversight
 - Investigation
 - Teeing up issues for 116th Congress
- Opioids, Opioids, Opioids
 - Put Programs Around the Funding
- Regular Order on Appropriations
 - Show Congress can Govern
- Nominations
 - Clear the Backlog
- **Medicare Red-Tape Legislation**
- Preparing for the Post-Election Lame Duck Session



Hearing Headlines

- Opioids
- Healthcare Innovation
- MACRA Implementation
- Healthcare Workforce
- FY 2019 HHS Budget
- Medicare Advantage
- Nursing Home Safety
- Security of Healthcare Data



Opioids, Opioids, and Opioids

- Energy and Commerce Committee has completed Mark-up of 55ish bills
- Ways and Means Introduced a “package,’ of 4 bills that encompasses 25 separate bills
 - House to pass legislation in June
- HELP Committee has discharged their legislation
- Finance Committee to move forward early summer
 - Senate calendar unclear.....
 - Final legislation after the election.....



FY 2019 Appropriation Process

- **House races into FY 2019 markup season...**all three of those bills could easily clear the full committee before the Memorial Day recess.
- **Senate Appropriations unveils busy markup schedule**
 - *The Senate Appropriations Committee announced today that it is planning to hold 12 individual bill markups in a six-week stretch, setting up a jam-packed work schedule through the July Fourth holiday.*

	FY17	FY18	FY19
Current law defense cap	551	549	562
Cancel defense sequester		54	54
<u>Security priorities</u>		<u>26</u>	<u>31</u>
New defense cap	551	629	647
<i>OCO/emergency</i>	83	71	69
Defense discretionary total	634	700	716
Current law nondefense cap	519	516	529
Cancel nondefense sequester		37	37
<u>Domestic priorities</u>		<u>26</u>	<u>31</u>
New nondefense cap	519	579	597
<i>OCO</i>	21	12	8
Nondefense discretionary total	539	591	605



Nominations - Taking Time from Senate Calendar

- McConnell Prepared to Confirm Judges Through New Years Day
 - Majority leader said he would clear judicial nominations through committee by end of 2018
- For the Trump Administration: *274 positions having confirmed appointees, 138 formally nominated, 8 awaiting nomination and 218 with no nominee, the administration is lagging significantly behind the Obama, G. W. Bush and Clinton administrations in nominating and appointing people to fill many key posts.*
- The average number of days to confirm a nominee increased from 42 days during the G. W. Bush administration to 59 days during the Obama administration, and is now at 79 days for the Trump administration.



Medicare Red-Tape Relief Project

- The Medicare Red Tape Relief Project, started in July 2017 by former House Ways and Means Health Subcommittee Chairman Pat Tiberi (R-OH), is a far-reaching effort to reduce unnecessary and burdensome Medicare regulations.
- **W&M 'RED TAPE' PACKAGE COMING THIS SUMMER —** The Ways and Means Committee hopes to release a package of ideas to provide relief from Medicare regulations before the August recess, Health Subcommittee Chairman [Peter Roskam](#) told the American Hospital Association annual meeting this morning. POLITICO's David Pittman reports



Secretary Azar and HHS – Starting to Get Things Moving

- Secretary Azar's Four Main Priorities
- CMS/HHS on their Red Tape/Patient's First Initiative
- 2019 Proposed Medicare Rules and Payments



Secretary Azar's Four Main Priorities

- **1. Soaring drug prices**

Azar offered few details on how he would bring prices under control, other than including praise for the pharmacy benefit managers' system for Medicare Part D and a plug for applying Part D ideas to rein in the spiking growth in Part B drug costs.

- **2. Affordability**

Even before Azar took over, HHS was moving forward with plans to relax Affordable Care Act insurance reforms. Critics argue that expanding options for association health plans and short-term insurance will do little to stabilize the individual market.

- **3. Shift to value**

Azar said he's committed to having Medicare pay for outcomes. He'll have to square that with the Trump administration's moves that dial back on various payment reforms. Former associates say we can expect him to look at value-based models for drug pricing too.

- **4. Opioids**

"We need aggressive prevention, education, regulatory and enforcement efforts," Azar told the Senate Finance Committee. Nonetheless, the administration's 90-day declaration that the opioid crisis is a public health emergency expired Jan. 23rd.



American Patients First: Drug pricing blueprint issued on May 11, 2018 by the Trump Administration

- “...make negotiation more effective than it is today” in Part D and “bring negotiation to where it doesn’t exist ... Part B.”
- “..HHS will be issuing a request for proposal “in short order” to make new use of “an alternative system for buying Part B drugs, a Competitive Acquisition Program (CAP).”
- Secretary Azar states his intent to address situations/current policies where companies are able to block generic drug manufacturers from having access to samples of branded drugs, as well as other policies to improve generic competition.
- “...CMS will be taking action this week to address “gag clause” policies that prevent pharmacists from telling patients “how to get the best deal possible.”
- Incentives to Push Down List Prices
- Other potential reforms include direct-to-consumer advertising, transparency rules and updates to the “drug pricing dashboard” that CMS will be unveiling this week.



CMS/HHS Red Tape/Patient's First Initiative

- Patients Over Paperwork
- **We're putting patients first by reviewing and streamlining our regulations so we can:**
- Reduce unnecessary burden
Increase efficiencies
Improve the beneficiary experience
- <https://www.cms.gov/About-CMS/story-page/patients-over-paperwork.html>



2018 Mid-Term Elections

- Healthcare, Healthcare, Healthcare – Impacted Last Three Mid-term Elections
- It's the Economy....
- Record Number of Retirements
- Number of Contested Races Increases and Number of Candidates Increases



116th Congress.....

- Healthcare Reform – Including Medicare Reform
- Sequestration is back....
- Economy...could be first and include infrastructure
- Many new chairmen and ranking members
- Large House Freshman Class – many to educate
- 2020 Presidential Contest



Thank you!!

- Questions?

