

HALL RENDER'S THIS WEEK IN WASHINGTON - DECEMBER 2, 2016

TRUMP NOMINATES HHS SECRETARY AND CMS ADMINISTRATOR

On November 29, President-elect Donald Trump announced his choice to lead the top federal health care agencies. Trump nominated Rep. Tom Price, MD, (R-GA) to head HHS and health care consultant Seema Verma as the next CMS Administrator.

Dr. Price currently serves as the House Budget Committee Chairman and has been one of the more active members on health care-related issues since he came to Congress in 2004. A former orthopedic surgeon, Dr. Price has been a staunch critic of the ACA but has worked across the aisle on Medicare and Medicaid issues.

Last year, Dr. Price introduced the Empowering Patients First Act, which would fully repeal the ACA and replace it with a detailed plan that includes individual health pools and expanded health savings accounts. Dr. Price's repeal plan shares a number of similarities to Speaker of the House Paul Ryan's [A Better Way](#) plan. Both plans would end the current exchanges and system of mandatory entitlement subsidies and replace them with a system of tax credits.

Verma, the president and founder of health policy consultancy SVC, was the architect behind the Healthy Indiana Plan ("HIP") and the 1115-waiver demonstration known as HIP 2.0 under Governor, now Vice President-elect, Mike Pence. She has also worked with other Midwestern states on producing similar waiver demonstration models. If confirmed, Verma will oversee the Trump administration's efforts to unwind the ACA and replace it with more free market-based health care policies. Verma will also be charged with implementing Medicare's new physician payment system, MACRA.

Both Price and Verma will need to be confirmed by the Senate once President-elect Trump takes office. Senate hearings will likely begin in late January, and a simple majority vote will be required for confirmation.

HOUSE PASSES 21ST CENTURY CURES BILL

On November 30, the House voted overwhelmingly to pass the 21st Century Cures legislation (H.R. 34) that would provide \$4.8 billion in medical research funding and make comprehensive mental health reform. The nearly 1,000-page bill also includes several Medicare and electronic medical record reform provisions.

The measure reverses the site-neutral payment policies for off-campus hospital outpatient departments that were "mid-build" at the time the Balanced Budget Act of 2015 was signed into law. It also excludes prospective payment system-exempt cancer hospitals from similar site-neutral payment policies. The bill would extend the Rural Community Hospital Demonstration Program for five years, keep CMS from enforcing the "25 percent rule" for long-term care hospitals through October 1, 2017 and prevent CMS enforcement of supervision requirements on critical access hospitals in 2016.

The mental health reforms authorize new and existing treatment and prevention programs, double down on existing mental health parity language and elevate the role of mental health within HHS leadership. The bill also included \$1 billion for HHS to fund state opioid treatment and prevention programs and \$500 million over 10 years to help FDA accelerate drug and medical device approval.

The bill now heads to the Senate, where it is expected to pass early next week without amendments. The White House has already indicated that President Obama will sign it into law.

REPUBLICANS VOTE ON COMMITTEE CHAIRS FOR 115TH CONGRESS

On December 2, the House Republican Conference is expected to approve its Steering Committee recommendations on new House committee chairpersons. The steering panel selected Rep. Greg Walden (R-OR) as the new chairman of the House Energy and Commerce Committee, which shares jurisdiction over health care-related policy matters. The panel also selected Rep. Rodney Frelinghuysen (R-NJ) to chair the Appropriations Committee. Rep. Kevin Brady (R-TX) continues as chairman of the Ways and Means Committee, which also shares jurisdiction over health issues in the lower chamber.

NEXT WEEK IN WASHINGTON

The House and Senate will return next week for what is expected to be the final week of the 114th Congress. Republicans in the Senate are waiting on a continuing resolution (“CR”) from the House that would fund the federal government through April 28, 2017. The current CR (PL 14-223), which covers 11 of the regular appropriation bills, expires December 9. The Trump transition team has asked that Congress pass a CR so the new administration can make recommendations on new spending bills next year.

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