

## HALL RENDER'S THIS WEEK IN WASHINGTON - JULY 26, 2019

### SENATE FINANCE COMMITTEE RELEASES DRUG PRICING REFORM PACKAGE

On July 25, the Senate Finance Committee **advanced** their comprehensive Medicare and Medicaid drug payment reform legislation. The bill now heads to the full Senate floor.

A day earlier, Chairman Charles Grassley (R-IA) and ranking member Ron Wyden (D-OR) released the **text of the chairman's mark** on the legislation. Despite bipartisan support from committee leadership, the reform package is facing pushback from drug makers and some Senate Republicans, putting full Senate passage in doubt. Over 100 amendments were offered prior to the Thursday markup with most being offered and withdrawn prior to the committee vote. Many of these withdrawn amendments are likely to be offered again on the Senate floor.

Pushback has come from provisions seeking to limit price increases on drugs to inflation. The bill would also shift a large portion of costs in Medicare's catastrophic phase onto insurers and drugmakers, lowering expenses for the federal government from 80 percent to 20 percent.

Committee leadership touted the reform package's savings, noting it's projected to save \$85 billion in Medicare spending and \$15 billion in Medicaid spending over 10 years. The bill seeks to restructure the Medicare Part D benefit, shift more financial liability onto private companies and cap patients' out-of-pocket costs. The bill also seeks to increase transparency into pharmacy benefit manager practices.

### TWO-YEAR BUDGET DEAL GETS CONGRESSIONAL GREEN LIGHT

The House voted to advance a two-year federal budget and debt ceiling deal on July 25. The **26-page bill** (H.R. 3877) sets the budget for Fiscal Years 2020 and 2021 and extends the public debt limit until July 31, 2021. The deal minimizes the risk of an election year government shutdown.

A compromise was negotiated by Treasury Secretary Steve Mnuchin, House Speaker Nancy Pelosi and Senate Majority Leader Mitch McConnell. The new spending is partially offset by an extension of fees on cargo and passengers arriving in the U.S. and automatic cuts to federal programs set to expire in 2027.

With a budget set, the Senate will begin its annual appropriations process in September. That will leave less than a month for the Senate to pass the various spending bills and then reconcile differences with the House. The new fiscal year begins October 1, 2019.

### SENATE LEADERS DELAY PRICE TRANSPARENCY VOTE TO SEPTEMBER

On July 23, Senate Health, Education, Labor, and Pensions Committee ("HELP") Chairman Lamar Alexander (R-TN) announced floor debate for their comprehensive price transparency/drug pricing reform bill will be pushed back until after the August recess. While the Senate remains in session until August 2, more than 60 holds were placed on **S. 1895**, making it impossible to bring to the floor prior to the break.

The announcement of the delay comes amid a growing debate over how to resolve payment disputes between doctors and insurance companies that result in surprise bills to patients. The House and Senate bills take differing approaches, with the Senate tying provider payments to only a benchmark rate and the House incorporating an arbitration process to the resolution process. Chairman Lamar Alexander (R-TN) and Sen. Bill Cassidy (R-LA) are working to add an arbitration backstop to their version, making the Senate plan more in line with the House version. It is expected that they will finalize the policy over the August recess.

### HEALTH-RELATED BILLS INTRODUCED THIS WEEK

Rep. Buddy Carter (R-GA) introduced **H.R. 3935** to amend Title XIX of the Social Security Act to provide for the continuing requirement of Medicaid coverage of non-emergency transportation to medically necessary services.

Rep. David McKinley (R-WV) introduced **H.R. 3927** to direct the Secretary of Health and Human Services to carry out a pilot program to test the feasibility and outcomes of integrating a substance use disorder and behavioral health treatment locator tool into the prescription drug monitoring programs of five eligible states.

Sen. Chuck Grassley introduced **S. 2258** to provide anti-retaliation protections for antitrust whistleblowers.

Rep. Paul Tonko introduced [H.R. 3925](#) to amend Title XIX of the Social Security Act to prohibit states from receiving Federal medical assistance for medication-assisted treatment under Medicaid from imposing utilization control policies or procedures with respect to such treatment.

Sen. Chris Van Hollen (D-MD) introduced [S. 2252](#) to amend Title XIX of the Social Security Act to expand the permitted uses of drug price information disclosed to states under the Medicaid drug rebate program.

## **NEXT WEEK IN WASHINGTON**

The House starts August recess next week and the Senate goes on recess the following week. Leaders of the Senate committees with health care jurisdiction announced there will not be a vote on the drug pricing or health cost legislation prior to August recess. The Administration will be releasing several health-related rules in the near future.

*This Week in Washington* will join the House on its August break but will publish should health care developments occur.

For more information, please contact:

- [John Williams III](#) at (202) 370-9585 or [jwilliams@hallrender.com](mailto:jwilliams@hallrender.com);
- [Andrew Coats](#) at (202) 370-9587 or [acoats@hallrender.com](mailto:acoats@hallrender.com);
- [Abby Kaericher](#) at (202) 780-2989 or [akaericher@hallrender.com](mailto:akaericher@hallrender.com); or
- Your regular Hall Render attorney.