HALL RENDER'S THE WEEK IN WASHINGTON – JANUARY 27, 2020

COMING THIS WEEK: CMS TO RELEASE MEDICAID BLOCK GRANT PLAN

Expected on Thursday, CMS will announce a plan to overhaul Medicaid by letting states shift certain program funding to block grants. CMS Administrator Seema Verma has been very passionate about implementing a block grant option, as she said this was the pathway to give states more flexibility. This controversial plan would target who joined the program under the Affordable Care Act's coverage expansion by encouraging states to apply for Section 1115 waivers to allow them to cap their spending on those patients. Provider groups and states are very likely to challenge the rule in court. Stakeholders are estimating the proposed rule could reduce Medicaid funding by up to almost $50 billion a year.

MEDPAC APPROVES PAY RECOMMENDATIONS FOR 2021

The Medicare Payment Advisory Commission ("MedPAC") voted unanimously last week to recommend that Congress update the hospital base rate pay by 2 percent for 2021. Additionally, MedPAC recommended that Congress "provide hospitals with an amount equal to the difference between the update recommendation and the amount specified in current law through the Commission's recommended hospital value incentive program." MedPAC Commissioners also recommended tying some of the pay raise to quality improvements.

The MedPAC meeting also discussed a staff analysis of the relationship between the 340B drug savings program and oncology drug costs, as requested by the House Energy and Commerce Committee in 2018. The study concluded that the 340B Drug Pricing Program doesn't create strong incentives for participating hospitals to use more expensive drugs.

MedPAC is an independent Congressional agency created to provide Congress with analysis and policy advice on the Medicare program. While MedPAC recommendations are non-binding, their annual reports are closely reviewed by Congressional committees.

FTC TO "CRACK DOWN" ON ANTI-COMPETITIVE HOSPITAL BEHAVIOR

Federal Trade Commission ("FTC") Commissioner Christine Wilson said the agency is focusing on ending anti-competitive behavior in hospitals and hospital systems. While speaking at a health care event, Commissioner Wilson stated the FTC will be increasing oversight of Certificates of Public Advantage ("COPAs") and urged stakeholders to comment on the newest vertical merger guidelines. Notably, Wilson stated the Commission is "intent on challenging every hospital merger and we have a number in the pipeline." The FTC will also explore expanding the scope of practice of certain providers, such as nurse practitioners.

HEALTH-RELATED BILLS INTRODUCED THIS WEEK

Rep. Gus Bilirakis (R-FL) introduced H.R. 5672 for the Commission on Sustaining Medicare and Social Security Act of 2020.

Sen. Bill Cassidy (R-LA) introduced S. 3224, the VA Research Approval Efficiency Act of 2020.

Rep. Jim Costa (D-CA) introduced H.R. 5654, the Expanding Medical Education Act of 2020.

Rep. Brett Guthrie (R-KY) introduced H.R. 5663 to amend the Federal Food, Drug, and Cosmetic Act to give authority to the Secretary of Health and Human Services, acting through the Commissioner of Food and Drugs, to destroy counterfeit devices.

Sen. Roy Blunt (R-MO) introduced S. 3216 to amend Title XXVII of the Public Health Service Act to prohibit group health plans and health insurance issuers offering group or individual health insurance coverage from imposing cost-sharing requirements or treatment limitations with respect to diagnostic examinations for breast cancer that are less favorable than such requirements with respect to screening examinations for breast cancer.

THE WEEK AHEAD

- The House Energy and Commerce Health Subcommittee holds a hearing Wednesday on improving safety and transparency in U.S. food and drugs.
- On Tuesday, the House Ways and Means Committee holds a hearing to discuss legislative proposals for paid family and medical leave.

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- The House Education and Labor Committee holds a hearing Tuesday on maternal and infant health in the U.S.
- HHS's Office of the National Coordinator for Health Information Technology is hosting its two-day annual meeting this week. Topics to be discussed include the potential for a patient identification system, patients' right to access their records, burdens surrounding electronic health records and seamless data sharing.
- Next week, the House is likely to vote on a sweeping labor bill to amend federal workplace laws to bolster a wide range of legal protections on the job.

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