

## HALL RENDER'S THIS WEEK IN WASHINGTON - JANUARY 26, 2018

### CONGRESS VOTES TO END GOVERNMENT SHUTDOWN

After a three-day government shutdown, the Senate voted 81-18 on Monday to fund the government through February 8, 2018. The continuing resolution ("CR") was then sent to the House, where it passed 266-150. President Trump subsequently signed the bill into law on January 22. The three-week CR includes a six-year funding renewal of the Children's Health Insurance Program ("CHIP"). The bill also delays the Affordable Care Act's medical device tax and Cadillac tax on high-cost health insurance plans for two years and its tax on health insurance providers for one year.

Despite passing the CR, lawmakers remain under increasing pressure to reach a long-term budget agreement. In order to strike such a deal, Republicans will need support from at least nine Senate Democrats. While CHIP now has long-term financial support, funding for many other health programs, including "Medicare extenders" and DSH, expired at the end of September but were not included in the most recent CR. In a meeting with senior health care policy staff on Capitol Hill this week, Hall Render attorneys were told that lawmakers plan to include money for Medicare extenders and DSH in the next government funding bill that must be passed before February 8, if offsets can be found to cover the costs. Historically, Congress has covered such costs by implementing new cuts for providers, and it is expected that lawmakers will do so again in this case.

### BIPARTISAN GROUP OF SENATORS SUPPORT PART D DISCOUNT PROPOSAL

Twenty-one senators sent a **letter** to CMS endorsing a proposal that requires pharmacy discounts on drugs to be passed on to Medicare recipients instead of insurers or pharmacy benefits managers. In the **proposal**, price concessions in Medicare Part D must pass through consumers, which should significantly lower seniors' out of pocket drug costs. CMS has estimated the proposal would save Medicare beneficiaries \$10.4 billion over 10 years. Earlier this month, a group of eighty bipartisan House members sent a similar **letter** to CMS supporting the proposal.

### AZAR CONFIRMED AS HHS SECRETARY

The Senate confirmed Alex Azar as the next Secretary of Health and Human Services in a 55-43 vote. Six Senate Democrats and Independent Angus King (I-ME) joined nearly all Republicans in backing Azar's nomination. Sen. Rand Paul (R-KY) was the only Republican to oppose Azar, which he said was due to his disagreement with Azar over drug re-importation. As the country's top health official, Azar has pledged to prioritize lowering drug prices.

### HEALTH-RELATED BILLS INTRODUCED THIS WEEK

Rep. Erik Paulsen (R-MN) introduced the Family Cord Blood Banking Act (**H.R. 4882**) amending the Internal Revenue Code to treat the cost of private umbilical cord blood or tissue or placental blood or tissue banking services as a medical care expense for purposes of the tax deduction for medical expenses.

### NEXT WEEK IN WASHINGTON

Congress is back for a full work week. President Trump will deliver the annual State of the Union address to Congress on January 30. The address will most likely be light on health care and is expected to focus on the Republican tax reform bill, the U.S. economy and stock market, infrastructure and immigration.

Also next week, the House Energy and Commerce Subcommittee on Health will scrutinize the safety of compounded drugs in a **hearing** on January 30, "Examining Implementation of the Compounding Quality Act." Also on January 30, the House Energy and Commerce Subcommittee on Communications and Technology will have the **hearing** entitled "Closing the Digital Divide: Broadband Infrastructure Solutions."

### THIS WEEK IN WASHINGTON IN HISTORY

**1977:** 41 years ago this week, on a 28-degree day, Jimmy Carter is sworn in as the 39th President of the United States. Carter then becomes the first President to walk the 16 blocks from the Capitol to the White House in the inaugural parade.

**1985:** 33 years ago this week, Ronald Reagan is sworn in for the second time as President of the United States. Given the daytime high of 7 degrees, the swearing-in ceremony is moved to the Grand Foyer of the White House. Following the ceremony, President Reagan would perform the coin toss for Super Bowl XIX from the White House. It was tails.

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