



## Health Policy Briefing

October 19, 2015

### Ten Legislative Days Remain to Address Debt Limit

Congress is under increasing pressure to raise the government’s \$18.1 trillion borrowing cap or risk the market turmoil that could result from the United States defaulting on its obligations. Last week, Treasury Secretary Jack Lew moved the deadline up for addressing the debt limit to November 3, earlier than previously expected. That leaves ten legislative days for Congress to raise the debt limit. At this point, the government would have only \$30 billion in cash on hand, while federal bills can total more than \$60 billion for a single day, according to the Congressional Budget Office (CBO). Secretary Lew has been using what is known as “extraordinary measures” since earlier this year to extend the government’s borrowing authority in the absence of congressional action. Congress has never failed to raise the debt limit in time, though debate over raising the debt limit in 2011 resulted in the first credit rating downgrade for the United States. While Republican lawmakers have stressed that they will not allow the country to default, they are likely to leverage the debt ceiling negotiations to push for structural changes to how the government spends money. The President has said that he will only approve a clean debt limit increase without any attached policy changes. The House Rules Committee has announced that it would take up H.R. 692 this Tuesday, debt prioritization legislation that would require the Treasury to pay both Social Security benefits and the principal and interest on the debt held by the public should the debt limit be exceeded. Democrats are strongly opposed to the bill, which is given little chance of moving beyond the House.

### OMB Announces Final Federal Deficit

The Office of Management and Budget (OMB) announced last week that the final federal deficit for fiscal year (FY) 2015 came in at \$439 billion. This figure is \$4 billion higher than that projected by the Congressional Budget Office (CBO) earlier this month, though the deficit is still at its lowest level in dollar terms since 2007. The deficit is calculated to be 2.5 percent of gross domestic product (GDP), and \$44 billion less than the deficit in FY 2014.

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## *Senators Push for Enforcement of Mental Health Parity*

A bipartisan group of senators have **written** to the U.S. Department of Health and Human Services (HHS) and the Department of Labor asking the administration to fully implement and enforce the Mental Health Parity and Addiction Equity Act (MHPAEA). The letter, signed by 22 senators, was spearheaded by Sen. Chris Murphy (D-Conn.) and Sen. Kelly Ayotte (R-N.H.). Although the law was enacted over seven years ago, the senators outline their concerns that “parity is still not a reality for individuals living with mental illness and addiction, and that health plans routinely refuse to disclose medical management information making it impossible for consumers and providers to determine if the plans are treating behavioral and physical health equally.” The senators request that the administration conduct audits to determine MHPAEA compliance, issue additional guidance on mental health parity, and release final Medicaid parity regulations.

## *Legislation Introduced to Extend Payment Sunshine Rules to Nurse Practitioners, Physician Assistants*

Sen. Chuck Grassley (R-Iowa) and Sen. Richard Blumenthal (D-Conn.) have introduced the Provider Patient Sunshine Act (S. 2153), legislation that would expand payment transparency requirements to nurse practitioners and physician assistants in the same manner as others who prescribe medications. These regulations require the disclosure of drug company and medical device maker payments for promotional talks, consulting, and other interactions. Doctors, dentists, chiropractors, optometrists, and podiatrists are already subject to the disclosures. Since the creation of the Open Payments database through the Physician Payment Sunshine Act in 2013, the database has made 15.71 million records and \$9.92 billion in payments publically available.

## *McConnell Appoints Task Force to Examine Senate Rules*

Senate Majority Leader Mitch McConnell (R-Ky.) has appointed members to a special task force to study potential changes to the Senate’s filibuster process and other procedural rules. Sen. Lamar Alexander (R-Tenn.), Senate Rules Committee Chairman Roy Blunt (R-Mo.), Sen. James Lankford (R-Okla.), Sen. Cory Gardner (R-Colo.), and Sen. Thom Tillis (R-N.C.) will serve on the task force. While it is unlikely that McConnell would want to do away with the filibuster altogether, it is possible that the task force would consider changes such as eliminating filibusters on motions to proceed on legislation.

## Medicare and Medicaid News

### *Kaiser Predicts Decline in Medicaid Growth, Rising Part D Costs*

Although every state experienced an increase in Medicaid spending and enrollment in FY 2015, a new **report** from the Kaiser Family Foundation projects that this growth will slow in the coming year. As a result of the Affordable Care Act (ACA) states were able to accept federal funds to expand their Medicaid programs to individuals with incomes up to 138 percent of the federal poverty level beginning in 2014. While thirty states and the District of Columbia have chosen to expand their programs, Medicaid growth was experienced across the board even in non-expansion states. The number of people enrolled in Medicaid increased by 13.8 percent, up from a growth rate of 8.3 percent in fiscal 2014. Medicaid spending increased on average by 13.9 percent. The report predicts, however, that this growth will slow in FY 2016 as a result of less people applying for Medicaid due to an improved economy. Kaiser projects that enrollment will increase by only 4 percent, and spending will increase by 6.9 percent. In another Kaiser **study** released last week, the organization estimates that the average premium for seniors’ prescription drug plans (PDPs) will grow by 13 percent in 2016, the largest increase in seven years. Their analysis finds that two-thirds of plans will have deductibles, and a growing share of these plans will impose the maximum deductible allowed by law – \$360 in 2016. Beneficiaries will be able to choose from 26 PDPs, down from 30 PDPs in 2015.

### ***Congress Under Pressure to Address Part B Premiums***

Last week, the administration announced that for the first time since 2011, Social Security recipients will not see a cost-of-living adjustment (COLA) for 2016. The lack of an increase was cited as a result of a downward trend in consumer prices that has kept inflation nearly flat. This announcement will trigger a significant increase in premiums for about 30 percent of Medicare Part B enrollees, those who are not protected from paying higher premiums under the program's hold harmless provision. Lawmakers are debating potential solutions to avoid the premium increase, but determining how to pay for such proposals could be problematic.

### ***Upcoming Congressional Meetings and Hearings***

*House Energy and Commerce Health Subcommittee: hearing titled "Examining Legislative Proposals to Combat our Nation's Drug Abuse Crisis;" 4:00 p.m., 2123 Rayburn Bldg. October 20*

*House Energy and Commerce Committee: hearing titled "Examining the Medicare Part D Medication Therapy Management Program;" 10:00 a.m., 2123 Rayburn Bldg.; October 21*

*House Veterans' Affairs Health Subcommittee: hearing titled "Evaluating VA Primary Care Delivery, Workload, and Cost;" 10:00 a.m., 334 Cannon Bldg.; October 22*

*House Homeland Security Emergency Preparedness, Response, and Communications Subcommittee hearing titled "Ready and Resilient? Examining Federal Emergency Preparedness and Response Capabilities;" 10:00 a.m., 311 Cannon Bldg.; October 22*

*House Energy and Commerce Health Subcommittee hearing titled "Reviewing the Accuracy of Medicaid and Exchange Eligibility Determinations;" 9:00 a.m., 2322 Rayburn Bldg.; October 23*

*House Veterans Affairs Committee hearing titled "Choice Consolidation: Assessing VA's Plan to Improve Care in the Community;" 10:30 a.m., 334 Cannon Bldg.; November 3*