



Health Policy Briefing

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Fate of Latest Repeal and Replace Proposal Unclear

Republican Senate leadership spent time last week gauging support among their caucus for the Graham-Cassidy-Heller-Johnson proposal, while the White House worked to rally support for the legislation. The plan is the latest attempt to repeal and replace the Affordable Care Act (ACA). It would replace ACA funding with block grants to states, which would then determine how to offer health insurance coverage to their populations. Senators are weighing how the bill will impact their states specifically, often looking to their governors for guidance. A hearing has been scheduled today in the Senate Finance Committee. Numerous health care stakeholders, including the American Heart Association, the American Cancer Society, March of Dimes, America’s Health Insurance Plans, the American Hospital Association, AARP, and the American Medical Association have announced their opposition to the bill – arguing that the proposal would endanger access to care for millions of Americans.

The Congressional Budget Office (CBO) aims to release a partial analysis of the legislation early this week. The CBO report will help the Senate Parliamentarian determine whether the proposal meets the rules for use under the reconciliation procedure. But a complete score including the bill’s effect on coverage, insurance premiums, and the deficit could take an additional several weeks. Republicans’ ability to use the fast-track budget reconciliation process expires on September 30th, and Democrats are threatening to use every delay tactic within their power to expend Senate floor time.

Should the Senate be successful in passing the repeal and replace proposal, supporters hope that the House of Representatives would pass it without changes. Speaker of the House Paul Ryan (R-Wis.) has indicated his support for bringing the bill to the House floor without plans for a conference committee.

Many Senate Republicans were optimistic about the bill’s chances of passage as momentum built throughout last week. On Friday afternoon, however,

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Sen. John McCain (R-Ariz.) announced that he would not be supporting the proposal. McCain's statement called for regular order for any future health care legislation and stressed the importance of bipartisan cooperation. While Sen. Rand Paul (R-Ky.) was the first senator to announce his opposition to the bill, other conservative lawmakers are working to ensure that the state waivers and other provisions of the plan will be implemented as intended. Sen. Ted Cruz (R-Texas) has said that he is not prepared to support the bill, but will continue to push for these changes to the legislation. Sen. Susan Collins (R-Maine) has said that she is leaning against the plan. She has expressed concerns about the impact of the bill on Medicaid coverage and those with pre-existing conditions. She does not support voting on the bill without a full CBO report. Cassidy and Graham are working to gain Sen. Lisa Murkowski's (R-Alaska) vote, and there has been talk of a revised bill that could carve out special Medicaid accommodations for her state. Republicans can only afford to lose two members of their caucus for the proposal to pass. Senate Majority Leader Mitch McConnell (R-Ky.) had announced his intention for the Senate to vote on the bill this week, but it is unclear whether recent developments will have an impact on his decision to schedule floor consideration.

Over the weekend, Sen. Graham threatened that neither he nor Sen. Johnson would vote for a budget resolution that does not include new reconciliation instructions for health care reform. This would, however, complicate Republican's intention to use reconciliation to pass tax reform by a simple majority in the coming year.

Bipartisan Efforts on ACA Fix Put on Hold

Efforts to reach a bipartisan deal in the Senate Health, Education, Labor, and Pensions (HELP) Committee to fix the Affordable Care Act (ACA) and stabilize the individual health insurance market came to a halt last week. While Democrats pledged significant concessions to satisfy Republican requests for state flexibility, Chairman Lamar Alexander (R-Tenn.) announced that he did not have the necessary consensus to bring legislation to the Senate floor. He had planned to release the bipartisan plan at the end of last week. His goal was to provide funding for cost-sharing reduction (CSR) payments alongside new flexibility for state insurance markets. The negotiations between Sen. Alexander and Ranking Member Patty Murray (R-Wash.) announced last week that they had not found the necessary consensus among Republicans and Democrats.

Chairman of the Senate Finance Committee Orrin Hatch (R-Utah) had been outspoken in his opposition to the efforts of the Senate HELP Committee – which he viewed as a bailout of the insurance industry, and an infringement on the health care jurisdiction of his own committee. The efforts also faced opposition from Republicans in the House of Representatives and the White House. The White House did, however, announce plans to continue paying CSR payments through the month of September, though no final decisions have been made about future payments. Insurers sign contracts indicating whether or not they will participate in ACA exchanges later this week.

CHIP Funding Bill Introduced with September 30 Deadline

Leadership of the Senate Finance Committee officially introduced the Keeping Kids' Insurance Dependable and Secure (KIDS) Act (S. 1827), legislation to extend funding for the Children's Health Insurance Program (CHIP) through fiscal year (FY) 2022. The legislation maintains the Affordable Care Act's (ACA) maintenance of effort requirement through 2019, after which the requirement would only apply to children in families whose incomes do not exceed 300 percent of the federal poverty level. The House of Representatives has yet to introduce companion legislation, and the Senate Finance Committee has not yet scheduled a markup of the bill. Current funding for the program expires on September 30.

Opioid Recommendations Pushed to November 1

The White House Opioid Commission, chaired by New Jersey Governor Chris Christie (R), has requested an additional four weeks to complete its report. In the interest of “sound recommendations” the extra time will allow the Commission to complete the research and policy developments that are still in progress. The report was originally due on October 1. The final version is now expected to be released on November 1. The Commission has also announced a new partnership between pharmaceutical manufacturers and the federal government. The public private collaboration with the National Institutes of Health (NIH) will work to speed the development of non-opioid, non-addictive pain medication and new medication assisted treatment (MAT) options. In related news, the Food and Drug Administration (FDA) announced that it will require information be added to buprenorphine and methadone drug labels indicating that the medications should not be withheld from patients taking benzodiazepines or other drugs that depress the central nervous system. According to the FDA, the harm of untreated opioid addiction outweighs the risks posed by combined use of the drugs. Additionally, the Senate Health, Education, Labor, and Pensions (HELP) Committee has scheduled a hearing on the opioid crisis for October 5th. During the hearing, administration officials will testify about federal response and implementation of the Comprehensive Addiction and Recovery Act (CARA).

Upcoming Congressional Hearings and Meetings

Senate Finance hearing to consider Graham-Cassidy-Heller-Johnson Proposal; 2:00 p.m. 215 Dirksen Bldg.; September 25

House Veterans' Affairs Subcommittee on Health Legislative Hearing on: H.R. 93; H.R. 501; H.R. 1063; H.R. 1066; H.R. 1943; H.R. 1972; H.R. 2147; H.R. 2225; H.R. 2327; and, a draft bill to make certain improvements in VA's Health Professionals Educational Assistance Program; 10:00 a.m., 334 Cannon Bldg.; September 26

House Oversight and Government Reform Information Technology Subcommittee hearing on Cybersecurity of the Internet of Things; 2:00 p.m., 2154 Rayburn Bldg.; September 27

Senate Health, Education, Labor, and Pensions Committee hearing on The Federal Response to the Opioid Crisis; 10:00 a.m., 430 Dirksen Bldg.; October 5

Recently Introduced Health Legislation

H.R.3807 (introduced by Rep. Nydia M. Velazquez): To amend the Public Health Service Act to provide for activities to increase the awareness and knowledge of health care providers and women with respect to ovarian and cervical cancer, and for other purposes; Energy and Commerce

S.1825 (introduced by Sen. Chuck Grassley): A bill to amend title XVIII of the Social Security Act to improve the accuracy of geographic adjustment factors under the Medicare program and to permanently extend certain adjustments to such factors for certain localities, and for other purposes; Finance

S.1827 (introduced by Sen. Orrin G. Hatch): A bill to extend funding for the Children's Health Insurance Program, and for other purposes; Finance

S.1834 (introduced by Sen. Bill Nelson): A bill to amend title XXVIII of the Public Health Service Act to establish a National Advisory Committee on Seniors and Disasters; Health, Education, Labor, and Pensions

S.1835 (introduced by Sen. Susan M. Collins): A bill to provide support to States to establish invisible high risk pool or reinsurance programs; Finance

H.R.3817 (introduced by Rep. David Young): To amend title XVIII of the Social Security Act to improve the accuracy of geographic adjustment factors under the Medicare program and to permanently extend certain adjustments to such

factors for certain localities, and for other purposes; Energy and Commerce, Ways and Means