



Health Policy Briefing

February 24, 2020

House to Vote on E-Cig Legislation This Week

The House of Representatives plans to vote this week on legislation (H.R. 2339) that would ban the sale of flavored tobacco products, including e-cigarettes, while providing for a narrow pathway for the Food and Drug Administration (FDA) to approve such products if they reduce smoking rates. It would also ban the online sale of e-cigarettes and tobacco products. The bill, sponsored by House Energy and Commerce Committee Chairman Frank Pallone (D-N.J.) and Rep. Donna Shalala (D-Fla.), aims to reduce youth vaping rates. The *Reversing the Youth Tobacco Epidemic Act* may combined with legislation (H.R. 4742) to assess an excise tax on tobacco alternatives equal to that of the \$1.01 federal levy per cigarette pack. It is not clear whether the legislation will be brought for a vote in the Republican-controlled Senate.

Grassley Continues to Push Drug Pricing Bill Among GOP Colleagues

Sen. Joni Ernst (R-Iowa) has announced her support for the Senate Finance Committee’s bipartisan drug pricing legislation, making her the 12th GOP senator to endorse the bill. Chairman Chuck Grassley (R-Iowa) has stated that he needs 25 Republican members to convince Senate leadership to allow a vote on the *Prescription Drug Pricing Reduction Act*, which already has the support of President Trump. Sen. Grassley has also said that he expects other Senate Republicans to announce their support for the bill in the coming days. The fate of the legislation remains uncertain, given the opposition from many Republicans to a provision that would limit drug price increases in the Medicare program to the rate of inflation. Majority Leader Mitch McConnell (R-Ky.) has declined to say whether the bill will get a vote on the Senate floor.

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Lawmakers Consider Potential Drug Shortages Stemming from Coronavirus

Several House lawmakers have highlighted the need to expand domestic manufacturing of prescription drugs in response to the coronavirus outbreak and concerns about resulting drug shortages among Chinese manufacturers. Reps. John Garamendi (D-Calif.) and Vicky Hartzler (R-Mo.) are pushing to include their legislation, the ***Pharmaceutical Independence Long-Term Readiness Reform Act*** (H.R. 4710) in the fiscal year (FY) 2021 defense authorization bill. It would require the Pentagon to purchase only American-made active pharmaceutical ingredients (APIs), medicines, and vaccines for members of the military. House Energy and Commerce Subcommittee on Health Chairwoman Anna Eshoo (D-Calif.) also supports advancing a measure to expand U.S. manufacturing of pharmaceutical products, though the panel is reportedly only in the early stages of drafting legislation.

In related news, the World Health Organization (WHO) is calling on nations around the world to increase funding to combat the coronavirus outbreak despite the virus still being largely confined to China. WHO Director-General Tedros Adhanom Ghebreyesus expressed concerns that countries are not taking the outbreak seriously enough, arguing that now is the time to halt the spread of the virus while it is still “manageable.”

Lawmakers Request CAR T-Cell MS-DRG

A group of House lawmakers have [written](#) to the Centers for Medicare and Medicaid Services (CMS) Administrator Seema Verma praising the administration’s recently finalized National Coverage Determination (NCD) for chimeric antigen receptor (CAR) T-cell therapy and urging the agency to establish a Medicare Severity-Diagnosis Related Group (MS-DRG) specific to CAR T-cell therapy in the fiscal year (FY) 2021 Inpatient prospective payment system (IPPS). The lawmakers explain how reimbursement remains a barrier to inpatient hospitals treating Medicare beneficiaries with CAR T-cell therapy, exacerbating the access challenges already faced by patients in rural areas. The letter, which was signed by 76 bipartisan members of Congress, argues that the establishment of an MS-DRG would help improve access for Medicare patients in need of cancer treatment, regardless of where they live.

Health Care Reform a Common Focus in State of the State Addresses

Governors from 40 states have delivered their State of the State addresses so far this year, with the majority of the state leaders using the opportunity to outline substantive healthcare-related proposals, including those to address prescription drug costs, address surprise billing, and providing greater access to mental and substance abuse treatment. New York Governor Andrew Cuomo (D) requested additional authority from state lawmakers to lower prescription drug costs. Cuomo, along with Connecticut Governor Ned Lamont (D) and New Mexico Governor Michelle Grisham (D), also expressed support for the importation of prescription drugs from Canada. Capping the cost of insulin, specifically, is a policy that was endorsed by Cuomo, Kentucky Governor Andy Beshear (D), and Wisconsin Governor Tony Evers (D). Gov. Grisham also stated that she supports measures to cap out-of-pocket costs for patients with diabetes, asthma, chronic obstructive pulmonary disease (COPD), and other chronic conditions. In New Jersey, Governor Phil Murphy (D) pitched the establishment of an Office of Health Care Affordability and Transparency and promised to direct regulators to begin tracking health care costs. He also discussed the need to better integrate behavioral and physical health care, especially in light of the opioid crisis. Similarly, Cuomo said he will direct regulators to create a cost and quality comparison website for various health care procedures and providers in his state. Michigan Governor Gretchen Whitmer (D) plans to set up a task force to handle prescription drug price transparency and health care costs, while Indiana Governor Eric Holcomb (R) promised to create an all-payer claims database. Holcomb also proposed to require that providers give patients a cost estimate at least five days in advance of a treatment or procedure. Governor Gavin Newsom (D) in California plans to ask state lawmakers to make it easier to compel homeless people in need of treatment to receive community-based outpatient care, and asked for increased funding to allow California’s Medicaid program to help enrollees find housing. Wisconsin Governor Evers proposed efforts to improve mental health services for farmers, and Tennessee Governor Bill Lee (R) announced the expansion of a mental health program for school aged children. Lee also called for a new mental health trust fund to support mental health services in the most at-risk schools.

HHS Personnel Update

Jeet Guram has left the Centers for Medicare and Medicaid Services (CMS) to serve as an advisor to Commissioner of Food and Drugs Stephen Hahn on drugs and tobacco. Guram has worked as a senior advisor to CMS Administrator Seema Verma since 2017. Tim Solberg has also been brought on as a senior advisor by Commissioner Hahn. Solberg will focus on issues related to medical devices. He most recently worked as the Vice Chairman of the Division of Medical Physics in the Radiation Oncology Department at the University of California, San Francisco.

Upcoming Congressional Hearings and Markups

Senate Appropriations Subcommittee on the Department of Homeland Security hearing “FY 2021 budget for the Department of Homeland Security;” 10:00 a.m., 138 Dirksen Bldg.; February 25

Senate Appropriations Subcommittee on the Departments of Labor, Health and Human Services, and Education hearing “FY 2021 for the Department of Health and Human Services;” 10:30 a.m., 124 Dirksen; February 25

House Appropriations Subcommittee on Labor, Health and Human Services, and Education hearing “Department of Health and Human Services Budget Request for FY 2021;” 9:30 a.m., 2358-C Rayburn Bldg.; February 26

House Energy and Commerce Subcommittee on Health hearing “The Fiscal Year 2021 HHS Budget and Oversight of the Coronavirus Outbreak;” 1:30 p.m., 2123 Rayburn Bldg.; February 26

House Appropriations Subcommittee on the Department of Homeland Security Member Day; 2:30 pm, 2008 Rayburn Bldg.; February 26

House Veterans’ Affairs Committee hearing “U.S. Department of Veterans Affairs Budget Request for FY 2021;” 10:00 am., 210 Capitol; February 27

House Budget Committee hearing “Budget Priorities: Members’ Day;” 10:00 a.m., 210 Cannon Bldg.; February 27

House Ways and Means Committee hearing “Proposed FY 2021 Budget with Health and Human Services Secretary Azar;” 10:00 a.m., 1100 Longworth Bldg.; February 27

House Appropriations Subcommittee on Military Construction, Veterans Affairs, and Related Agencies hearing “Oversight of VA’s Electronic Health Record Modernization Implementation;” 1:00 p.m., 2358-C Rayburn Bldg.; February 27

House Appropriations Subcommittee on State, Foreign Operations, and Related Programs Member Day; 2:00 p.m., HT-2 Capitol; February 27

House Foreign Affairs Subcommittee on Asia, the Pacific, and Nonproliferation hearing “Coronavirus Disease 2019: The U.S. and International Response;” 2:00 p.m., 2172 Rayburn Bldg.; February 27

House Appropriations Subcommittee on Agriculture, Rural Development, Food and Drug Administration, and Related Agencies Member Day; 10:00 a.m., 2362-A Rayburn Bldg.; March 3

Senate Health, Education, Labor and Pensions (HELP) Committee hearing “to examine an emerging disease threat, focusing on how the United States is responding to COVID-19, the Novel Coronavirus;” 10:00 a.m., 430 Dirksen Bldg.; March 3

House Appropriations Subcommittee on State, Foreign Operations, and Related Programs Public Witness Day ; 8:30 a.m., location TBA; March 12

House Appropriations Subcommittee on Defense Member Day; 9:00 a.m., H-140 Capitol; March 12

Recently Introduced Health Legislation

H.Res.860 — Recognizing the rise of cardiovascular disease as the world’s leading cause of preventable death and disability and as a global public health crisis and supporting the recognition of February 2020 as “American Heart Month”; Sponsor: Rep. Smith, Christopher H. [R-NJ-4]; Committees: House - Foreign Affairs; Energy and Commerce

H.R.5916 — To require providers of health care products and services to publicly disclose point-of-sale cash prices; Sponsor: Rep. Gallagher, Mike [R-WI-8]; Committees: House - Energy and Commerce