



Health Policy Briefing

August 22, 2022

Reconciliation Package Signed into Law

President Joe Biden signed the [Inflation Reduction Act](#) (Public Law No. 117-169) into law last Tuesday. The \$437 billion tax, climate, and health package gives the Medicare program authority to set the price of certain high-expenditure prescription drugs, in both Part B and Part D. The legislation would cap out-of-pocket Part D spending at \$2,000 per year and extend expanded Affordable Care Act premium subsidies for three years. It also includes a \$35 insulin cap for Medicare beneficiaries. President Biden and Cabinet officials have planned more than three dozen events in 23 states during the coming weeks to tout the landmark legislation. Centers for Medicare and Medicaid Services (CMS) Administrator Chiquita Brooks-LaSure has stated that her agency “absolutely” intends to meet the timelines that are set by the new law. Amongst other deadlines, the Medicare program is charged with announcing the first 10 drugs subject to price negotiation next year. Those prices will go into effect starting in 2026.

Surprise Billing Arbitration Regulation Released

The Biden administration has [issued](#) its final rule detailing how out-of-network billing disputes will be decided as a part of the implementation of the *No Surprises Act*. The regulation states that the qualifying payment amount (QPA) should be the starting point for independent dispute resolution (IDR) entities working to resolve payment disputes between insurers and out-of-network health care providers. Such arbitrators must then consider “all permissible information submitted by each party to determine which best reflects the appropriate out-of-network rate.” A federal court invalidated the previously released interim final rule, which directed IDR entities to choose the offer closest to the QPA.

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Rep. Cheney Defeated in WY Republican Primary

Wyoming Republican Liz Cheney was defeated in her state's Republican primary last week by lawyer Harriet Hageman, who received the endorsement of former President Donald Trump. Cheney is an outspoken critic of the former president, having voted to impeach him over his role in the January 6th violence at the Capitol and working on the congressional committee investigating the insurrection. She is serving her third term in Congress and sits on the Armed Services Committee. Rep. Cheney has championed telehealth legislation, sponsoring [H.R. 4040](#), the *Advancing Telehealth Beyond COVID-19 Act* which would extend telehealth flexibilities for two years and was passed by the House of Representatives prior to the August recess. Cheney has said that she will consider a presidential bid in the coming months.

COVID-19 PHE Expected to Be Extended into Jan. 2023

The U.S. Department of Health and Human Services (HHS) is expected to extend the COVID-19 public health emergency (PHE) beyond the current declaration's expiration in mid-October. In keeping with the Department's commitment to provide a 60-day notice to states before terminating the PHE or allowing it to expire, HHS would have needed to issue such a notice early last week but did not do so. The continued PHE declaration will allow expanded Medicaid coverage, telehealth flexibilities, and other pandemic response measures to remain in place presumably for at least another 90 days –extending into January 2023.

CDC's Walensky Announces Agency Revamp After Report Detailing COVID-19 Shortcomings

Centers for Disease Control and Prevention (CDC) Director Rochelle Walensky announced that her agency will overhaul its operations after an external review found shortcomings in the CDC's COVID-19 response. The review of CDC's structure, systems, and processes found that the agency should share its scientific findings and data faster, translate science into practical, easy to understand policy, prioritize public health communications, promote results-based partnerships, and develop a workforce prepared for future emergencies. In response, Walensky outlined several steps CDC will take to create a "new, public health action-oriented culture" at the agency, in contrast to their current insular, academically oriented operations. These changes include reforming the CDC's data system, workforce training, and laboratory infrastructure. She also announced the creation of new offices focused on health equity and intergovernmental affairs, a restructuring of the CDC's website, plans to release plain language guidance and expedite publication of the science supporting agency decision-making, and a new executive council to determine agency priorities, track progress, and make budget decisions. Walensky has appointed former Health and Human Services Department Deputy Secretary Mary Wakefield to lead a team tasked with making these changes.

In related news, the Department of Homeland Security (DHS) recently announced the creation of the Office of Health Security, a new division charged with tackling threats to the nation's health. DHS Chief Medical Officer Pritesh Gandhi will head the new office, which will coordinate the Department's public health policies, care for immigrants in DHS custody, and manage the health needs of DHS employees. The reorganization was driven in part by lessons learned from COVID-19 response.

First Lady Tests Positive For COVID-19

First Lady Jill Biden has tested positive for COVID-19 while on vacation with the President and other family members in South Carolina. She was experiencing cold-like symptoms when she tested positive and planned to start taking Paxlovid. The First Lady is fully vaccinated and double boosted and will remain at a private residence in South Carolina until she receives two negative tests. As one of her close contacts, President Biden plans to mask for 10 days, consistent with the Centers for Disease Control and Prevention guidance.

Recently Introduced Health Legislation

H.R.8701 — To amend title XVIII of the Social Security Act to ensure equitable treatment of items and services furnished by chiropractors under the Medicare program. Sponsor: Posey, Bill [Rep.-R-FL-8]; Committees: House - Energy and Commerce; Ways and Means

H.R.8722 — To reauthorize the program for mental health awareness training grants, and for other purposes; Sponsor: Lee, Susie [Rep.-D-NV-3]; Committees: House - Energy and Commerce

H.R.8724 — To amend the Public Health Service Act to establish a program of research regarding the risks posed by the presence of dioxins, phthalates, pesticides, chemical fragrances, and other components of menstrual products and intimate care products; Sponsor: Maloney, Carolyn B. [Rep.-D-NY-12]; Committees: House - Energy and Commerce