



Health Wrap Up Prepared by Van Scoyoc Associates September 18 – 22, 2017

****Our Weekly Health Wrap Up is being sent a day early this week due to Van Scoyoc Associates move to our new permanent offices at the new [DC Wharf](#).****

Please find below a summary of the latest major health policy events in Washington this week. Please let us know if you have any questions.

Scheduling note: The Senate was only in session on Monday and Tuesday and the House was on recess this week.

ACA REPEAL/REPLACE/STABILIZATION

Momentum continued to build this week for the [Affordable Care Act \(ACA\) repeal and replacement plan](#) sponsored by Senators Graham (R-SC) and Cassidy (R-LA). The bill would redistribute funding from the ACA's Medicaid expansion, premium tax credits, cost-sharing reduction payments, small business tax credit and Basic Health Program as of 2019 to the states. The bill would also impose per capita caps on Medicaid funding, allow states the alternative of a Medicaid block grant and repeal the individual and employer mandates and the medical device tax.

The timeline for the bill's consideration is very tight as the parliamentarian has ruled the reconciliation bill, which allows for the bill to pass with only 51 votes, expires at the end of the fiscal year (September 30th), which leaves only a week for passage.

A spokesperson for Leader McConnell (R-KY) said on Wednesday that, "it is the Leader's intention to consider Graham/Cassidy on the floor next week." However, the statement leaves some wiggle room and, as of press time, it is unclear if any votes have changed since the Senate failed to pass repeal and replace in July. The three Senators who voted no – Collins (R-ME), Murkowski (R-AK) and McCain (R-AZ) - have not publicly committed to how they will vote, but have expressed concerns with the bill or the process.

In response to complaints that the bill had not gone through regular order, the Senate Finance Committee scheduled a [hearing](#) on the bill for Monday. McCain in particular has been a vocal proponent of moving the bill through the regular committee process.

If the Senate passes the bill, the House will need to pass it without amendment, which Speaker Paul Ryan has already assured the Senate. On Wednesday, Speaker Ryan (R-WI) promised that, "If the Senate acts, we will act as well." While many insiders expect, the bill would sail through the House, there is a question about whether the Medicaid cuts to some of the big states – including New York and California – could be problematic. The House passed its repeal and replace bill in May with only a 3-vote margin with 20 Republicans voting against it.

CHILDREN'S HEALTH INSURANCE PROGRAM

On Monday, Senate Finance Chairman [Orrin Hatch](#) (R-UT) and Ranking Member Ron Wyden (D-OR) released the *Keeping Kids' Insurance Dependable and Secure (KIDS) Act (S. 1827)*, that would be extending funding for the Children's Health Insurance Program (CHIP) for five years. The current reauthorization for funding will expire on Sept. 30th. Senate Finance members are eager to move the bill, but Democrats worry that the reconciliation time crunch for the Graham-Cassidy repeal bill could cause further delays. The full legislative text can be found [here](#). In the House, the Energy and Commerce Committee has not yet unveiled legislation.

Specifically, the Senate legislation would:

- Extend CHIP funding through fiscal year 2022;
- Maintain federal matching rate at current statutory levels through FY 2019, change to 11.5 percent for FY 2020, and return to a traditional CHIP matching rate for fiscal years 2021 and 2022; and
- Maintenance-of-effort requirements for enrollment established under the 2010 health care law would continue through fiscal 2019 and for children below 300 percent of the federal poverty line through fiscal 2022.

As we have previously reported, other health care programs also face a September 30 renewal deadline and it is possible that a CHIP package could include other popular program extensions.

SUBSTANCE USE AND MENTAL HEALTH

The Senate Health, Education, Labor and Pensions (HELP) Committee has noticed a hearing for October 5th on implementation of the Comprehensive Addiction and Recovery Act (CARA) and 21st Century Cures Act as they relate to the federal response to the opioid misuse and overdose epidemic. Witnesses will include:

- Dr. McCance-Katz, Assistant Secretary for Mental Health and Substance Use
- Dr. Brenda Fitzgerald, Centers for Disease Control and Prevention Director
- Dr. Francis Collins, National Institutes of Health Director
- Dr. Scott Gottlieb, Food and Drug Administration Commissioner

TRUMP ADMINISTRATION

White House Opioid Commission

As the White House has delayed its long-awaited final report from its Opioid Commission chaired by Governor Chris Christie of New Jersey, the White House announced an important interim step. Christie and others met with leaders from the pharmaceutical industry on Monday. Christie announced that the Trump Administration will fast track industry efforts to develop non-addictive pain medication and new medication-assisted treatments.

Changes at CMMI

It appears major changes are in store at the Center for Medicare and Medicaid Innovation. On Wednesday, CMS issued a [Request For Information](#) from stakeholders regarding a proposed “new direction” at the CMS Innovation Center. CMS identified six guiding principles for the new CMMI which generally encourage greater choice, a simpler application process, and more transparency. CMMI is looking to change models in the following fields:

- Increased participation in Advanced Alternative Payment Models (APMs);
- Consumer-Directed Care & Market-Based Innovation Models;
- Physician Specialty Models;
- Prescription Drug Models;
- Medicare Advantage (MA) Innovation Models;
- State-Based and Local Innovation, including Medicaid-focused Models;
- Mental and Behavioral Health Models; and
- Program Integrity.

This RFI is part of a larger effort under HHS to use regulatory authority to make changes to programs established under the Affordable Care Act. Comments are due by November 20th and may be submitted to CMMI_NewDirection@cms.hhs.gov.