ML STRATEGIES

Health Care Congressional Outlook for the Spring Work Period

April 04, 2016 | Advisory | By **Alexander Hecht**

VIEWPOINT TOPICS

- Federal Government Relations
- Health Care

SERVICE AREAS

- Federal Government Relations
- Health Care

The next work period basically runs from April 4 to May 27, with both chambers adjourning for a week long recess the week of May 2. Following this work period, there will be five weeks left on the legislative calendar before Congress recesses for Summer. This means legislative initiatives will have to make significant progress this work period if they stand any chance of being addressed before the election.

Atmospherics

Republican leadership are expected to prioritize appropriations this work period, highlighting the "return to order" by moving the 12 annual appropriations bills before the July 15 recess. They will also have to devote time to issues like the reauthorization of National Defense Authorization Act (NDAA), as well as reforms to the FAA and the energy package. Senate Democrats will likely continue their call for a hearing for Supreme Court nominee Merrick Garland, and how it's received inside and outside the Beltway could play a factor in how issues are addressed moving forward. The time devoted to addressing these big ticket items will affect the likelihood that health care legislative items have enough time to be addressed this Congress. Here is what's on our radar:

21st Century Cures

This week, the Senate HELP Committee will hold its third and final markup for its biomedical innovation package with the goal of bringing it to the floor this month. Chairman Lamar Alexander (R-TN) is committed to striking a deal with Ranking Member Patty Murray (D-WA) over mandatory NIH funding, but paying for that funding has yet to be determined. Senate Democrats, led most strongly by Senator Elizabeth Warren (D-MA), have threatened to stop the HELP Committee package on the Senate floor without additional funding for NIH. It remains to be seen if a deal can be reached or if Warren's resolve will first be tested on the Senate floor.

Drug Pricing

The drug pricing debate has hardly gone away since the House Oversight & Investigations hearing featuring Martin Shkreli made national headlines. It could pick up steam should Senator Susan Collins (R-ME) offer an amendment on drug pricing at this week's HELP Committee markup, based on the work being done on the Senate Select Committee on Aging, for which she is chairwoman. The **legislation**, introduced by Senator Susan Collins (R-ME) and Senator Claire McCaskill (D-MO), would establish a clear timeframe for the FDA to expedite the review of certain applications for generic drugs; direct the FDA to report quarterly to Congress on the number of new drug applications filed for review prior to October 1, 2015; and create a new "generic priority review voucher" that would be awarded to the sponsor of a successful application for a medical shortage or sole-source drug that makes it to market.

The Senate Select Committee on Aging will also hold its third drug pricing hearing on Wednesday, April 27. Michael Pearson, CEO of Valeant Pharmaceuticals, received a subpoena from the committee and is expected to attend.

Medicare Advantage

The 2017 final Medicare Advantage payment notice is due out this afternoon after the markets close. Medicare Advantage advocates launched an aggressive lobbying effort last month following proposed cuts to the program, and we should learn the results of those efforts today. CMS will also announce whether the proposed 3-4 percent cut to the Employer Group Waiver Plan (EGWPs) will take effect. EGWPs, sometimes referred to as Medicare Advantage Retiree Coverage, provide care and disease management services, including comprehensive drug benefits to retirees.

Opioid Crisis

Following the Senate's passage of the Comprehensive Addiction and Recovery Act (CARA), the Senate would like to see the House consider the legislation. House Judiciary Chairman Bob Goodlatte has not set a timetable for review of the legislation, an indication that perhaps some of the committee members are not on board with the price tag. There are also a number of additional opioid-related bills which may be

considered this work period.

Mental Health

The Senate HELP Committee recently advanced **mental health legislation** with the goal of being considered on the floor this work period. There are a number of issues that stand in the way of passage, including the Institutions for Mental Disease (IMD) exclusion, which prohibits the use of federal Medicaid financing for care provided to most patients (aged 21-65) in mental health and substance use facilities larger than 16 beds. Another potential roadblock is Majority Whip John Cornyn's (R-TX) **mental health legislation** in the Senate Judiciary Committee, which includes controversial gun-related provisions that are non-starters among certain Democrats. If the Senate can muster support to pass some kind of mental health reform package, they could seek a conference with the currently stalled health reform package introduced by Representative Tim Murphy. Murphy recently dismissed the Senate bill saying it does not go far enough, but it's in the interest of both parties to get something done.

Flint Water Crisis

Senators are still working on a deal to alleviate the drinking water crisis in Flint, Michigan. The debate has stalled the comprehensive energy bill, but Majority Leader Mitch McConnell still hopes it can pass.

Zika Virus

Zika remains on the radar, but the urgency to address the issue has not yet peaked.

Home Health Workers

This week, the Supreme Court will decide whether it will hear a challenge to the Department of Labor's home care worker wage rule. The case will revolve around whether the Department of Labor has the authority to expand overtime and minimum wage protections under the Fair Labor Standards Act for in-home health care workers. It is possible the decision will be pushed to later this month on whether to hear the case. A federal appeals court upheld the rule last August.

Authors



Alexander Hecht, Executive Vice President & Director of Operations

Alex Hecht is a trusted attorney and policy strategist with over 20 years of experience advising clients across a broad range of industries on how to navigate complex policy environments. His strategic insight and hands-on experience in both legislative and regulatory arenas empower clients to advance their priorities with clarity and confidence in an evolving policy landscape.