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## Administration Releases Budget Proposal for Fiscal Year 2019

Yesterday, the Trump Administration released its budget plan for FY 2019. The budget details legislative and regulatory priorities for next year including policies under the Department of Health and Human Services (HHS) designed to reduce the cost of prescription drugs, lower Medicare spending, address the opioid epidemic and increase funding for The National Institutes of Health (NIH) and the Food and Drug Administration (FDA). HHS Secretary Alex Azar will testify before three key congressional committees this week to discuss the proposed budget. Here are the highlights:

### Medicare Payment Policy

- Pay all off-campus hospital outpatient departments at the physician office rate

### Drug Pricing Policy

- Establish an inflation limit for reimbursement of Medicare Part B drugs
- Reduce wholesale acquisition cost (WAC) add-on to 3 percent
- Authorize the HHS Secretary to consolidate certain drugs covered under Part B into Part D
- Provide demonstration authority for up to five States to test drug coverage and financing reforms in their Medicaid programs
- Allow CMS to apply savings from a reduction in payment to hospitals for drugs purchased under the 340B program to hospitals that provide a certain amount of charity care
- Require plans to share at the point of sale a portion of rebates that plans receive from drug manufacturer

### Opioid Funding

- Includes \$10 billion in funding for HHS to fight the opioid crisis

### NIH and FDA Funding

- Includes \$35.5 billion in funding for NIH, a \$1.4 billion increase over FY 2018 levels
- Includes \$5.8 billion in funding for FDA, a \$473 million increase over FY 2018 levels

The President's budget is separate from the bipartisan budget agreement that passed Congress last week. The proposal is largely a messaging activity to highlight policy areas of interest for the Administration and would require additional regulations or legislation before being enacted.

To view the HHS FY 2019 Budget [CLICK HERE](#).

To view the White House drug pricing fact sheet [CLICK HERE](#).