
Health Policy Update – January 8, 2018

Bipartisan Bill to Increase 340B Program Transparency Introduced in the House

On December 21, Representatives Larry Bucshon, MD (R-IN) and Scott Peters (D-CA) introduced bipartisan legislation to address growing concerns with the 340B drug discount program. The 340B Protecting Access for the Underserved and Safety-Net Entities (PAUSE) Act (H.R. 4710) would temporarily freeze new hospital enrollment in the program for two years while requiring additional data reporting from current participants. Under the bill, participating hospitals would have to submit detailed information about what drugs they purchase under the program and how the resulting savings are used.

To view the text of the 340B PAUSE Act, [click here](#).

HHS Seeks Input from Stakeholders on How to Increase Competition, Expand Patient Choice in the Healthcare Marketplace

On December 26, the Department of Health and Human Services (HHS) released an informal Request for Information (RFI) asking healthcare stakeholders for feedback on how to reform state and federal laws – especially those that pertain to Medicare and Medicaid – in order to identify barriers to competition and patient choice. Specifically, the HHS is seeking feedback relating to Association Health Plans, Short-Term Limited-Duration Insurance and Health Reimbursement Arrangements, however it also expects to collect information about existing laws or regulations that "discourage or prevent a high-quality health system, strong competition and consolidation limits."

This RFI comes as the HHS prepares to roll out new rules implementing an October 12 executive order that, in addition to expanding access to association health plans, also requires the Administration to produce a report detailing strategies to make the healthcare marketplace more competitive.

Submissions will be accepted until January 25 and may be submitted via email to CompetitionRFI@hhs.gov.

To view the RFI, [click here](#).

President Trump Signs Tax Reform Legislation

On December 22, President Trump signed the Tax Cuts and Jobs Act of 2017, which made significant changes to the U.S. individual and corporate tax codes. The bill lowers existing individual tax rates, nearly doubles the standard deduction, and expands the child tax credit. It also reduces the tax rate for corporations to 21 percent and contains significant reduction for pass-through businesses.

The measure also repeals the Affordable Care Act's individual insurance mandate, which could have major implications for the individual health insurance markets if too many young and healthy people decide to forego buying coverage. Also included in the legislation is a two-year expansion of the personal medical expense deduction and changes to the orphan drug tax credit.

The bill does not repeal the ACA's medical device tax. Though it had been suspended between 2013 and 2015, the

2.3 excise tax on the sale of all medical devices went back into effect on January 1 of this year.

To read the full text of the law, [click here](#).

To read a summary of the law from the House and Senate Conference Committee, [click here](#).

Congress Passes Short-Term Funding Package to Avert an End-of-Year Government Shutdown

On December 21, Congress enacted a short-term funding package to keep the government open through January 19. The spending bill also reauthorized the Children's Health Insurance Program (CHIP) through mid-March and included a "pay-go" waiver to suspend nearly \$25 billion in automatic cuts to Medicare and other programs that were scheduled to take effect at the beginning of this year under the Tax Cuts and Jobs Act of 2017.

However, the spending deal did not include many of the Medicare extenders Congress had been working on since the fall. These include changes to Medicare Dependent and Low Volume Hospital program, the Maternal, Infant and Early Childhood Home Visiting program, an exceptions process for the Medicare therapy caps, and a delay of the Medicaid Disproportionate Share Hospital pay cuts.

To view a section-by-section of the funding package, [click here](#).

Senate Finance Committee Schedules Alex Azar's Confirmation Hearing

The Senate Finance Committee recently announced that it will hold a confirmation hearing for HHS Secretary nominee Alex Azar on Tuesday, January 9. Mr. Azar previously worked for the Department of Health and Human Services (HHS) on two occasions under President George W. Bush, first as General Counsel and then as Deputy Secretary. He later worked for the pharmaceutical company Eli Lilly, where he rose to become president of the company's U.S. operations. He stepped down from that position in January 2017.

On November 29th, 2017 Mr. Azar appeared before the Senate Health, Education, Labor, and Pensions (HELP) committee for a pre-confirmation hearing to answer questions about his background and views on health policy.

To view the Finance Committee announcement of the hearing, [click here](#).

Senate Finance Committee Chair Orrin Hatch Announces Retirement

Senator Orrin Hatch (R-UT), who has served as chairman of the Senate Finance Committee since Republicans took over the chamber in 2015, announced January 2 that he will not seek reelection in 2018. Hatch is the Senate's second longest-serving member and currently serves as the Senate's President Pro Tempore, making him third in the line of succession to the presidency.

Hatch's retirement creates an opportunity for former Republican Presidential candidate Mitt Romney to run for the open seat. Though Mr. Romney has not yet made an announcement, Senator Hatch has already said that he'd endorse him.

To view Senator Hatch's retirement announcement, [click here](#).