



Health Policy Briefing

January 8, 2018

Second Session of 115th Congress Officially Convenes

Lawmakers return to Washington this week for the second session of the 115th Congress to address a number of issues left unresolved before the holidays.

Budget Caps: Congressional leaders from both parties met with White House officials last week to discuss plans for a bipartisan budget deal to increase the budget caps and prevent the across-the-board automatic spending cuts known as sequestration. Congressional Democrats are insisting that any deal to raise the budget caps includes parity between defense and non-defense federal spending levels, while Republicans support more money for defense. Leaders are hoping to negotiate a two-year agreement effective the remainder of fiscal year (FY) 2018 through FY 2019.

FY 2018 Spending Bill: Appropriators must also work to pass an omnibus spending package to fund the federal government through September. Democrats support additional money to address the opioid abuse epidemic, veteran programs, disaster relief, and the National Institutes of Health (NIH). The current continuing resolution (CR) expires on January 19. It is highly likely that another short-term spending bill will be necessary to provide additional time to draft an omnibus package.

CHIP: The continuing resolution (CR) passed by Congress at the end of 2017 included a short-term funding extension for CHIP to keep the program running into March. The Congressional Budget Office (CBO) recently announced that the cost of extending CHIP for five years has decreased by \$7.5 billion now that Congress has repealed the individual mandate. CBO predicts that the mandate repeal will increase marketplace premiums, and a CHIP extension will result in lowering of marketplace subsidy costs because more families will choose CHIP instead of private coverage. Both Democrats and Republicans are hopeful that a long-term extension of the program will be included in the next federal spending bill.

DACA: Democrats are pushing for the inclusion of protections for dreamers under the Deferred Action

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for Childhood Arrivals (DACA) program in the must-pass spending legislation. In exchange, Republicans are seeking increased border-security measures. While a deal among Congressional lawmakers seems possible, the issue could be complicated by the President's recent demand for construction of a border wall. Lawmakers face a deadline of mid-March, given that the Administration announced it would end the program and thousands of immigrants would be at risk of deportation.

Insurance Market Stabilization: Democrats are not, however, fighting for the inclusion of an individual insurance market stabilization package in the spending bill. They argue that authorization of cost-sharing reduction (CSR) payments and funding for reinsurance programs are insufficient to offset the impact of the GOP's recent repeal of the Affordable Care Act's (ACA) individual mandate. Sens. Susan Collins (R-Maine) and Lamar Alexander (R-Tenn.), however, are still seeking to pass the stabilization measures early this year. Collins was promised passage of the legislation in exchange for her vote on tax reform.

Disaster Relief: The Senate also faces work on a disaster relief package. The House passed a bill including \$81 billion in supplemental aid to assist Americans effected by recent hurricanes and wildfires, but the Senate did not take up the issue before recessing at the end of last year.

Debt Ceiling: The Treasury Department is expected to run out of borrowing options by March, necessitating a congressional vote to increase the debt ceiling before that time.

The President met with House Speaker Paul Ryan (R-Wis.) and Senate Majority Leader Mitch McConnell (R-Ky.) over the weekend at Camp David to discuss the GOP's 2018 agenda. According to a statement from the White House, agreed upon goals include infrastructure, immigration reform, welfare reform, the opioid crisis, and health care access and affordability. House and Senate Republicans will hold their annual joint retreat at the end of the month to formally develop an agenda for the year.

HELP Members Request Hearing on Hurricane Impact

A bipartisan group of senators have **written** to the Chairman of the Health, Education, Labor, and Pensions (HELP) Committee requesting hearings on the health and education challenges facing Puerto Rico and the U.S. Virgin Islands following Hurricanes Maria and Irma. The letter was led by Sens. Elizabeth Warren (D-Mass.) and Bill Cassidy (R-La.) and signed by Sens. Bernie Sanders (I-Vt.), Michael Bennet (D-Colo.), Tammy Baldwin (D-Wis.), Tim Kaine (D-Va.), Robert Casey (D-Pa.), Sheldon Whitehouse (D-R.I.), and Christopher Murphy (D-Conn.).

Black to Give Up Budget Gavel

Rep. Diane Black (R-Tenn.) plans to step down as Chairman of the House Budget Committee in the coming weeks. While she will not vacate her congressional seat, Black announced her decision to hand over leadership of the Committee as she devotes more time to her campaign for governor of Tennessee. While her successor has not yet been chosen, Steve Womack (R-Ark.) is viewed by many as the early front-runner for the position.

Harper to Retire At End of Term

Rep. Gregg Harper (R-Miss.) has announced his plans to retire at the end of his term. Rep. Harper has served five terms in Congress and will not be seeking reelection so that he can spend more time with his family. He recently was named chairman of the House Energy and Commerce Oversight Subcommittee, which conducts investigations into matters under the jurisdiction of the full committee, including food and drug safety, public health, and research.

H.R. 1 and Your Taxes: Primer for Health Professionals

Hart Health Strategies Inc. recently put together a **primer for health professionals** to provide a general overview of the tax reform legislation as well as highlight several key items. Of course, these are preliminary observations and calculations based on the newly enacted legislation. The Internal Revenue Service (IRS) will need to fully interpret and implement the new tax code to provide further clarity. Therefore, for your own personal situation, please consult your accountant or tax professional.

Upcoming Congressional Hearings and Meetings

Senate Health, Education, Labor, and Pensions (HELP) Committee hearing “The Opioid Crisis: An Examination of How We Got Here and How We Move Forward;” 10:00 a.m., 430 Dirksen Bldg.; January 9

Senate Finance Committee hearing to consider the anticipated nomination of Alex Michael Azar II to be Secretary of Health and Human Services; 10:00 a.m., 215 Dirksen Bldg.; January 9

House Science, Space, and Technology Committee markup of H.R. 4675, the “Low Dose Radiation Research Act of 2017;” 10:00 a.m., 2318 Rayburn Bldg.; January 10

Senate Health, Education, Labor, and Pensions (HELP) Committee executive session to consider nominations, including Brett Giroir, M.D., to be Assistant Secretary for Health, Department of Health and Human Services; time and location TBD; January 11

Recently Introduced Health Legislation

S.2278 (introduced by Sen. Pat Roberts): A bill to amend the Public Health Service Act to provide grants to improve health care in rural areas; Health, Education, Labor, and Pensions