**Public Policy Update – November 2016**

**By Brian Lindberg and Marly Flores**

**Big Picture**

**Donald Trump was elected the 45th president of the United States. With a new president and transition team in full throttle, lawmakers are scrambling and hoping to use the final days of the 114th Congress to fund the federal government before the current continuing resolution expires on December 9th and to address the National Defense Authorization Act for FY 2016. It is likely that lawmakers will consider the 21st Century Cures Act, as well as funding for the opioid epidemic and the Flint water crisis. Finally, Congress could address energy-related tax extenders that are set to expire at the end of the year.**

Last week, House lawmakers introduced a reworked 21st Century Cures Act after months of negotiations. The revised bill would create innovation accounts for the National Institutes of Health and the Food and Drug Administration and includes funding for President Obama’s cancer “moonshot” effort, precision medicine initiative, and Alzheimer’s research. Congressional leaders are rushing to approve the legislation. The House is expected to approve the legislation. If the bill is passed in the House, the Senate is expected to consider the bill before Congress recesses in December.

It is not clear whether Congress will complete its ambitious agenda. Once mid-January rolls around, the 115th Congress will be greeted by Republican control of both chambers and the White House. The House leadership will continue with Minority Leader Nancy Pelosi (D, CA-12th) and will likely continue with Speaker Paul Ryan (R, WI-1st) who was unanimously nominated by his fellow Republicans for re-election as speaker. Ryan will face an election in January, when all members of the new House vote on a new speaker. In the Senate, Republicans re-elected Mitch McConnell (R-KY) to be Majority Leader in the 115th Congress and Senate Democrats elected Senator Chuck Schumer (D-NY) to the role of Minority Leader.

**115th Congress and First 100 Days**

President-elect Donald Trump and his transition team have identified several key areas of focus when they take control of the White House in January: repealing the Affordable Care Act, infrastructure, immigration, and regulations. The ACA repeal and replace would likely use the budget reconciliation process for most of the repeal. In terms of the infrastructure bill, it is likely to be paid for through a business tax reform and/or deficit spending. It is also expected he will move quickly on naming a replacement for the open seat on the U.S. Supreme Court.

**Budget**

On November 17, House Republicans settled on a short-term continuing resolution (CR) to fund the federal government through March 31. During a closed-door meeting, Republican lawmakers decided against a broad, year-end package to avoid a final budget deal with President Obama. According to congressional members, Speaker Ryan (R, WI-1st) said the short-term bill was the preference of President-elect Donald Trump.

House Appropriations Chairman Hal Rogers (R, KY-5th) also stated that President-elect Trump was the motivating factor behind the stop-gap spending bill, which was mainly opposed by the Appropriations Committee. A short-term CR will allow the Trump administration to have input on what will be in the spending bill and a procedural opening to issue reconciliation instructions for overturning the Affordable Care Act. House lawmakers have until December 9th to pass a short-term CR to fund the federal government at current levels. Representative Tom Cole (R, OK-4th), a member of House Appropriations Committee stated “it will not be a clean CR.” Members of the committee have asked for additional funding for flood victims and looking at ways to increase funding for the Department of Defense.

Senate leaders and appropriators have expressed concerns that delaying budget negotiations could get in the way of other pressing matters. Senate Republican Conference Chairman John Thune (R-SD) stated “It will be a very busy first six months, and if you have to stop and finish last year’s business in the middle of that, it’s challenging.” Read more [here](https://www.washingtonpost.com/news/powerpost/wp/2016/11/17/trump-administration-calls-for-short-term-spending-bill-despite-senate-concerns/?utm_term=.689a10a2951d).

**Future of the ACA**

Senate Majority Leader Mitch McConnell (R-KY) said that repealing the Affordable Care Act (ACA) will be a priority now that a Republican has been elected president. According to Senate Health, Education, Labor, and Pensions Committee Chair Lamar Alexander (R-TN), Republican lawmakers could begin making major changes to the ACA as soon as January. ACA supporters have vowed to fight attempts to repeal the law. During an interview, Vice President-elect Mike Pence stated the Trump administration will “focus out of the gate on repealing” the ACA and begin “the process of replacing the ACA with the kind of free-market solutions that he campaigned on.” President-elect Trump has indicated to keep certain parts of the ACA, such as provisions to protect individuals with preexisting medical conditions and to allow adult children to remain on a parent’s health plan until age 26.

According to a recent Gallup poll, most U.S. residents want lawmakers to change the ACA. The poll found about 80 percent of respondents favor significantly altering the ACA or replacing it entirely. Read more [here](http://www.usatoday.com/story/news/2016/11/20/pence-trump-tackle-obamacare-out-gate/94165134/?elq_cid=1597125&x_id) and [here.](http://www.politico.com/story/2016/11/republicans-aim-to-start-obamacare-repeal-in-january-231522?elq_cid=1597125&x_id)

**Presidential Nominations**

Department of Health and Human Services (HHS): President-elect Donald Trump nominated House Budget Committee Chairman Tom Price (R, GA-6th) as his HHS Secretary. Budget Chairman Price is a fierce opponent of the Affordable Care Act (ACA) and has drafted an ACA replacement bill called *Empowering Patients First Act.*

Centers for Medicare and Medicaid Services (CMS): President-elect Donald Trump nominated Seema Verma, CEO and founder of SVC, a national health policy consulting company, to run CMS. Read more [here.](http://www.usatoday.com/story/news/politics/elections/2016/2016/11/28/reports-rep-tom-price-trumps-pick-health-and-human-services-dept/94578690/?elq_cid=1597125&x_id)

Attorney General: President-elect Trump offered Senator Jeff Sessions (R-AL) the position of attorney general. Senator Sessions could have influence over various health care issues if he is confirmed for the post. Read more [here.](http://www.healthcarefinancenews.com/news/trump-appoints-senator-jeff-sessions-r-alabama-attorney-general?elq_cid=1597125&x_id)

**Medicare Reform on the Horizon**

On November 16, HHS Secretary Nominee and House Budget Committee Chair Price said lawmakers are likely to consider Medicare reforms “within the first six to eight months” of President-elect Donald Trump’s administration. It is unclear what kind of changes Republicans seek to make. House Ways and Means Committee Chair Kevin Brady (R, TX-8th) noted that proposals could reflect ideas in Speaker Paul Ryan’s (R, WI-1st) policy paper “[A Better Way,](http://abetterway.speaker.gov/_assets/pdf/ABetterWay-HealthCare-PolicyPaper.pdf?elq_cid=1597125&x_id=&elqTrackId=53b7576aaf634d04a2420f0c919c5164&elq=be3e850a187143e491daebdbbc43aff6&elqaid=61189&elqat=1&elqCampaignId=27964) “ which was released earlier this year. House Republicans proposals include implementing a fixed government contribution for each beneficiary (premium support model), slowly raising the age of eligibility for Medicare and increasing subsidies for low-income seniors but raising out-of-pocket costs for higher income retirees. President-elect Trump has not said whether he supports privatization of Medicare. Read more [here](http://www.nytimes.com/2016/11/24/us/politics/donald-trump-medicare-republicans.html?_r=2&elq_cid=1597125&x_id).

Both Ryan and Price have embraced the idea of “premium support.” Under this approach, Medicare beneficiaries receive a fixed dollar subsidy that seniors would use to purchase Medicare insurance. Minority Leader Nancy Pelosi (D, CA-12th) has vowed to “stand firmly and unified” against Speaker Ryan if he tries to “shatter the sacred guarantee of seniors.”

**Medicare Premium Growth**

CMS announced that Medicare beneficiaries will face a modest premium increase for Part B coverage in 2017. The Social Security cost-of-living increase for 2017 was only 0.3 percent which means that about 70 percent of beneficiaries will have a relatively smaller average monthly Medicare Part B premium increase due to a “hold harmless” provision intended to protect seniors. This group of beneficiaries will pay an average monthly premium of $109, up by 4 percent from 2016 premiums. For the remaining beneficiaries, the average 2017 premium will be $134, up by 10 percent from 2016 premiums. Read more [here.](https://www.cms.gov/Newsroom/MediaReleaseDatabase/Press-releases/2016-Press-releases-items/2016-11-10-2.html?elq_cid=1597125&x_id)

**Medicare Prescription Drug Spending**

CMS updated its Drug Spending Dashboard. In 2015, CMS said Medicare Part D spent $137.4 billion on prescription drugs and Medicare Part B spent $24.6 billion on prescription drugs. The data shows that growth in prescription drug prices and costly hepatitis C treatments are driving the increase. Read more [here](https://blog.cms.gov/2016/11/14/updated-medicare-and-medicaid-drug-spending-dashboard/?elq_cid=1597125&x_id) and [here.](http://www.npr.org/sections/health-shots/2016/11/17/502341021/a-growing-group-of-doctors-are-big-money-prescribers-in-medicare?elq_cid=1597125&x_id)

**VA to Debut Online Scheduling App**

In January 2017, the U.S. Department of Veterans Affairs plans to launch a new app that will allow VA patients to schedule primary care appointments on their phone, tablets, or computer. The VA plans to add mental health, audiology, and optometry appointments to the list in the future. Read more [here.](http://www.sandiegouniontribune.com/military/sd-me-va-online-20161109-story.html?elq_cid=1597125&x_id)