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Viewpoints

ML Strategies Health Care Preview WEEK OF JANUARY 28, 2019

The shutdown is over for now and Congress is hitting the ground running this week. Most priorities have been on standby with the shutdown taking center stage, so this week in a sense represents the first week of the 116th Congress. On Tuesday, there will be dueling hearings on prescription drug prices in the House Oversight Committee and Senate Finance. Both hearings will offer a preview into the direction and intensity at which both committees will pursue reforms in this arena.

It's important to remember that drug pricing is an issue on the minds of both Republican and Democratic voters. What is said during the hearing will be important in determining where Congress goes on drug pricing. Do Democratic talking points overlap in any way that is workable with Republican talking points? If so, we should be on the lookout for potential legislation. Another important item to keep in mind is that even if rhetoric is high during the hearings, there might still be areas for negotiations behind closed doors. Pay close attention to what members say and ask for clues.

Speaking of drug pricing, Congress is not the only the group looking into the issue. Over the last few weeks, Secretary Azar has been broadcasting the Administration's continued efforts and desires to reduce prescription drug costs. Additionally, he met with Rep. Elijah Cummings, Chairman of House Oversight, on drug pricing to discuss avenues for partnership shortly after tomorrow's hearing was announced.

One other thing to note is that Secretary Azar has called out the role of other players (beyond PhRMA) in the prescription drug space, including pharmacy benefit managers (PBMs). It is important to keep in mind that on the regulatory side, the safe harbor rule remains on our radar as it has been sitting with OMB since July. With the government back up and running, does the Administration move the safe harbor regulation within the next few days? If not, does it ever come out?

THIS WEEK IN THE HOUSE

<u>Ways and Means</u> – "Protecting Americans with Pre-Existing Conditions" (Tues. @ 10am)

<u>Oversight</u> – "Examining the Actions of Drug Companies in Raising Prescription Drug Prices." (Tues. @ 11am)

THIS WEEK IN THE SENATE

HELP – "Access to Care: Health Centers and Providers in Underserved Communities." (Tues @ 10am)

<u>Finance</u> – "Drug Pricing in America: A Prescription for Change, Part I." (Tues @ 10:15am)

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