

Health Care Weekly Preview

Week of December 18th

Republicans enter this week on target to pass a sweeping tax reform package after securing support from Senators Corker (TN) and Rubio (FL). Additionally Susan Collins (ME) <u>applauded the "inclusion of multiple</u> <u>amendments</u>," but stopped short of publicly supporting the measure. Senator Collins' vote and the commitments she receives in exchange for her vote remains a pivotal piece to forecasting the week and months ahead.

Congress will also have to find a path forward on a government-spending bill, with the deadline of December 22nd fast approaching. The House introduced a continuing resolution (CR) last week that provides defense funding for FY18. While the CR would also extend CHIP for five-years, delay DSH cuts 2 years, and provide community health center funding for 2 years, it remains far from clear that Senate Republicans would support the bill much less Senate Democrats.

Can House and Senate Republicans advance a politically unpopular tax bill and reconcile differences on a government-funding bill (with Democrats having veto authority in the Senate) in the span of a week? While a short-term CR seems possible, even one that requires members to return December 27th, a significant driver of the CR will be the CHIP program. The New York Times recently <u>outlined</u> what the uncertainty could mean for families in certain states whose CHIP funding will be exhausted early next year. It is unrealistic for Congress to pass a short-term CR into January without funding CHIP in some fashion.

THIS WEEK IN HEARINGS

No hearings announced in the House or Senate this week.

THE SUSAN COLLINS QUESTION

Senator Susan Collins is staking a lot of her own capital on securing passage of a market stabilization package (Collins-Nelson and Alexander-Murray bills) which at this moment is not guaranteed to pass the Senate or be considered by the House. If Senator McConnell brings up a package in the Senate, Democrats can filibuster the motion to proceed to those bills, affectively killing it.

So how does one get a stabilization package through the Senate and House? Write a bigger package. The impending tax bill will cause an additional reduction of the Medicare program. No Republican wants that. Add repeal of the Medicare sequester to the stabilization package and suddenly it is a more difficult vote. No Republican or Democrat easily votes to support Medicare cuts.

The package can be made bigger still. Add CHIP and the rest of the minibus to the package. A package with market stabilization, repeal of the Medicare sequester and CHIP becomes much more difficult to oppose. Passage of this package would then allow for a short-term CR through January and no one has to be back at their desks on December 27th.

Senate Democrats are playing the waiting game because if a deal comes together to their satisfaction, they need not take the risk of withholding votes that shut down the government. This week pivots on what deals are cut to get Senator Collins' vote and how Leadership seeks to accomplish it.

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