

Health Care Weekly Preview Week of January 8th

We closed last week with word from CBO that the CHIP extension will cost <u>significantly less</u> now that they have accounted for repeal of the individual mandate taking effect in 2019. This should make passing a long-term CHIP extension by the January 19th government funding deadline significantly easier. With the CHIP cost estimate lowered, the pressure is now on health care negotiators to wrap up the minibus (extenders and ACA taxes) or risk losing the political driver of the minibus. Jimmy Kimmel ain't talking therapy caps.

Post-individual mandate repeal, we should expect to see reevaluations of Alexander-Murray and Collins-Nelson, which could lower the cost of these bills, making them slightly more palatable to the stagnant Congress. While cost reevaluations from CBO should be expected with changes in policy, it is not clear that it will change the political landscape for those bills.

Both houses of Congress are back in session this week fresh off the heels of a weekend leadership retreat at Camp David. While the focus of the weekend was on the 2018 agenda, Republicans need to finish 2017 – CHIP, DACA, funding the government, disaster relief – before they can move on to 2018 agenda items. Speaker Ryan would like to reduce spending on some entitlement programs under the guise of welfare, but many Republicans view that as problematic given the 51-49 Senate.

The next resolution funding the government expires January 19th. We will be watching this week where Democrats draw their line in the sand. Their leverage over CHIP has evaporated with the new score. Do they try to force the issue on DACA or let it go until March? You can't rule out another CR at this point.

THIS WEEK IN THE HOUSE

No hearings announced in the House this week.

THIS WEEK IN THE SENATE

On Tuesday (1/9), the Senate Finance Committee will consider the nomination of Alex Azar for Secretary of HHS. You can watch coverage <u>here</u>.

On Tuesday (1/9), the Senate HELP Committee will hold a hearing titled, "The Opioid Crisis: An Examination of How We Got Here and How We Move Forward." You can watch coverage <u>here</u>.

THIS WEEK AT MEDPAC

Beginning on Thursday, MedPAC will hold its first public meeting of 2018. For the complete agenda, <u>click</u> <u>here</u>.

ALL EYES ON AZAR

The nominee for HHS Secretary, Alex Azar, will go before the Senate Finance Committee this week. As grassroots efforts are urging members to vote against Azar, it's also possible that he faces questions on past practices from his time as president of Eli Lilly's U.S. operations. While some of this activity may be outside the jurisdiction of the Finance Committee, it is the Finance Committee who has the final say on whether to advance his nomination. While the outcome seems a forgone conclusion, the signals sent through the questions asked of the nominee matter for the balance of the year.