

This week, President Trump will go before Congress for his first State of the Union address. Will it be olive branches or brickbats? The next deadline for a government-funding bill is February 8<sup>th</sup>, a week from Thursday. Will the President discuss a path forward on immigration, specifically DACA, and spending that could present a breakthrough for negotiators? Congress still needs to fund several important health care programs, but they are unlikely to get resolved by February 8<sup>th</sup> without larger issues being resolved first. Both parties will head off to their respective party retreats later this week, setting up for a chaotic next week as yet another deadline looms.

Today, Alex Azar will be sworn in as the 12<sup>th</sup> Secretary of Health and Human Services. Former Secretary Price arrived on the job with an expected bias based on his career as a physician. It was widely expected that Secretary Price would focus on administrative simplification for physicians. As Azar takes the reins, health care stakeholders await directional signals from the new Secretary. We will closely watch directional signals he sends towards PhRMA, noting his previous role as former pharmaceutical executive and industry lobbyist.

### **THIS WEEK IN THE HOUSE**

On Tuesday (1/30), the House Energy & Commerce Health Subcommittee will hold a hearing titled, “Examining Implementation of the Compounding Quality Act.” Click [here](#) for more information.

### **THIS WEEK IN THE SENATE**

On Tuesday (1/30), the Senate HELP Subcommittee on Primary Health and Retirement Security will hold a hearing titled, “Roundtable on Small Business Health Plans.” Click [here](#) for more information.

### **MEDICAID WORK REQUIREMENTS**

Last week, we put together a synopsis on [Medicaid work requirements](#) and what they could mean going forward. Ten states have already requested waivers to their Medicaid programs, which included work requirements, and more states may be joining them. States across the country are [considering expansion](#) of Medicaid to go along with work requirements, although many Democrats have concerns about such proposals. Conservative principles, beyond work requirements, that are also present in these waivers include premiums, required contributions to health savings accounts, waiving non-emergency medical transportation, waiving retroactive eligibility, and healthy behavior incentive programs. This is a slow moving process with a number of hurdles, but it is worth monitoring as more states look at ways to implement conservative principles into programs needing approval from a now receptive Administration.

The political conundrum is obvious. Since the Medicaid expansion was made voluntary in NFIB v. Sebelius, ACA supporters have pushed for states to expand Medicaid. ACA opponents have resisted Medicaid expansion and 18 states have yet to expand Medicaid. If opponents can stomach Medicaid expansion with a work requirement attached, will supporters?