HEALTH CARE AGENDA
114TH CONGRESS/115TH CONGRESS

The 114th Congress

The 114th Congress has played host to a robust health policy agenda. The passage of the Medicare Access and Chip Reauthorization Act (MACRA) was the most important health care legislative accomplishment since the Patient Protection and Affordable Care Act (ACA). A major bio-tech innovation omnibus appears to be moving close to a bicameral deal, a hospital payment reform package will be introduced in the House and chronic care is getting the attention it deserves in the Senate.

There is still likely to be significant health policy activity over the remainder of the year; particularly with the potential of an active lame duck session. One thing is certain: the post-ACA health policy hangover has ended, and the discussions of the 114th Congress will set the stage for the next several years of Congressional debate.

Changing Reimbursement Landscape: MACRA, Bundles and Value-Based Payments

The Affordable Care Act was just the first of significant Congressional and Administration efforts to move away from a fee-for-service reimbursement system. The passage of MACRA, replacing the broken SGR formula with a bifurcated reimbursement system, heralds another major step towards value-based reimbursement.

As MACRA is implemented and as new reimbursement models continue to come out of ACA authority (2016 has already seen CJR, Part B Drug Model & a Home Health Prior-Authorization program), hospitals, physicians, nursing homes, home health agencies, laboratories, physical therapists and patients are all going to have to navigate new requirements, penalties and incentives to be successful in the emerging reimbursement landscape.

Stakeholders must be engaged strategically to affect necessary changes that protect providers and patients. Congress will play an important role arbitrating implementation and legislating improvements, but only a focused advocacy strategy with a constant DC presence can be effective in a saturated policy space.

W&M Hospital Payment Reform Package

The House Ways & Means Committee has been working on a hospital payment reform bill for several years. Draft legislation released in 2014 came under heavy criticism, causing the Committee to reflect on necessary changes. Competing priorities and leadership changes on the Ways & Means Committee may have delayed the bill from being reintroduced, however Chairman Brady is expected to introduce a package in the very near future. The bill is expected to have a number of sticks and carrots that will most likely generate discussion that will spill into the 115th Congress.

Bicameral Stark Law Reform

Stark Law waivers have become a familiar element of many alternative payment models. The relationships that are prohibited by Stark in a fee-for-service world do not make sense in the new models of care coordination. The Finance Committee and Ways & Means Committee have already solicited comments from stakeholders, but this will be a long and complicated reform effort.
Veterans Health Reform Omnibus
Congress is taking the VA out of the business of building hospitals, and is seeking to remove barriers for Veterans to seek care from private health care providers. The 2014 Veterans Choice Act took a step in this direction, but Congress is currently working on omnibus legislation to reform the VA further. The Senate has introduced the Veterans First Act, and the House has held a series of legislative hearings to mark-up the components of its package. The two packages will have to be reconciled; a process that may push a final vote on the legislation past the September working session or into the next Congress.

New Policy Platforms
A new Administration will be taking over with their own health policy priorities next year. Some of these priorities are well documented – like Clinton’s desire to reduce out-of-pocket expenses (e.g. balance billing prohibition etc) – and some are not. Additionally, the control of the Senate is up in the air. Democrats have a favorable election map, and have a reasonable chance at taking back the majority. If Hillary Clinton wins with a strong turnout, it is highly likely that the controlling party will flip in the Senate, elevating Democratic health policy priorities.

Barring unforeseen developments, Republicans will retain control of the House. Speaker Ryan convened a series of task forces led by Committee Chairmen to draft a new and comprehensive policy platform for House Republicans in each major policy area. The Health Policy Task Force is led by Rep. Tom Price (R-GA, Budget Chair & W&M Member), John Kline (R-MN, Ed & Workforce Chair), Fred Upton (R-MI, E&C Chair) and Kevin Brady (R-TX, W&M Chair). This is an effort that all health care stakeholders should be participating in. This is a serious policy exercise that will influence the health policy agenda of the Majority in the House for the 115th Congress.

Health care stakeholders need to position their priorities for the next Congress and the next Administration right now.

Triggering Events in the 115th Congress
Congress is often motivated by deadlines, and the 115th Congress will have no lack of events that will trigger intense lobbying and debate. The FDA User Fee programs and CHIP both need to be reauthorized, and the medical device and Cadillac tax delays will also expire.

There are opportunities to engage on priorities within the scope of these discussions, however there are also risks to the entire federal health budget. In order to address multi-billion dollar issues like the Medical Device Tax and Cadillac Tax, offsets will be sought within federal health care programs.