

# Health Care Policy Update

## Health Care Policy Weekly Update and Outlook

Government Regulations

### Congressional Leaders Reach Agreement on Topline FY2024 Funding Levels, with January 19 Deadline Looming

On January 7, House Speaker Johnson (R-LA) and Senate Majority Leader Schumer (D-NY) came to an agreement on the topline FY2024 spending levels for both defense and non-defense discretionary funding. The deal calls for FY2024 defense spending of \$886 billion, an increase of 3% over FY2023 levels, while non-defense spending would be set at \$773 billion a reduction of less than 1% for FY2024. However, we note that Congress will still need to pass appropriations bills over the next several weeks, and with very limited time, as well as continued disagreements between the House and Senate on a range of policy riders. The first tranche of funding bills expire on January 19 include Military Construction/Veteran's Affairs (VA), Agriculture, Energy & Water, and Transportation-HUD. The remaining eight appropriations will need to be worked out by February 2 to avoid a government shutdown. We also note that several healthcare extender provisions expire on January 19, including a delay in Medicaid DSH payment cuts to hospitals (\$8 billion), and community health center funding. In addition, members of Congress also hope to attach a healthcare package with a range of provisions to government funding bills that should move in the next several weeks. This package may include provisions from the Lower Costs, More Transparency Act which includes PBM transparency and reform provisions (prohibition on Medicaid spread pricing for PBMs), hospital and other provider price transparency provisions, as well as hospital site neutral payments for physician-administered drug services. We also note that the House and Senate continue to work on additional healthcare proposals to be part of the package, including 2024 Medicare physician payment relief, Medicare DME payment relief, along with other Medicare cost-sharing, coverage, telehealth, and drug provisions.

### FDA Approves Florida's Drug Reimportation Program

On January 5, FDA approved Florida's program to import certain drugs from Canada. The FDA approved the plan for two years, and Florida will be required to submit quarterly reports on the program. The FDA notes that it will still need to approve requests from specific pharmacies and wholesalers to participate in the program. Florida expects to use the program to purchase drugs for state-based programs such as Medicaid and prisons. Florida estimates savings of up to \$150 million. Several other states have submitted similar proposals, including CO, ME, NH, NM and VT. However, these programs are still pending. The drug industry remains opposed to the program, as well as the Canadian government due to the potential for drug shortages.

### MedPAC to Finalize FY2025 Payment Recommendations

On January 11-12, the Medicare Payment Advisory Commission will meet to finalize its FY2025 Medicare provider payment update recommendations, as well as provide status update reports on Medicare Part D, Medicare Advantage and ASCs. We note that MedPAC's draft recommendations called for cuts to home health, IRFs, and SNFs, while also calling for modest increases in Medicare payments for hospitals and physicians.

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High Yield Credit  
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**Andrew B. Bressler, CFA**  
Research Analyst  
BofAS  
+1 202 442 7454  
[andy.b.bressler@bofa.com](mailto:andy.b.bressler@bofa.com)

#### Abbreviations

HHS: Health and Human Services Department

CMS: Centers for Medicare and Medicaid Services

FDA: Food and Drug Administration

HHS: Health and Human Services Department

CBO: Congressional Budget Office

GAO: Government Accountability Office

PBM: Pharmacy Benefits Manager

DME: Durable Medical Equipment

ASC: Ambulatory Surgery Centers

IRF: Inpatient Rehab Facilities

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# Health Care Policy Events for the Week

## Monday (January 8)

- The National Academy of Medicine meeting on "Toward Sequencing and Mapping of RNA Modifications"

## Tuesday (January 9)

- HHS briefing on "New 2024 Inflation Reduction Act Benefits."

## Wednesday (January 10)

- Health Affairs briefing on "National Health Care Spending In 2022: Growth Similar to Pre-pandemic Rates."
- FDA Oncology Center of Excellence webcast on "Conversations on Cancer: Bringing Innovation to People Facing Cancer."

## Thursday (January 11)

- House Education and Workforce Committee hearing on "Lowering Costs and Increasing Access to Health Care with Employer-Driven Innovation."
- Senate Banking Committee hearing on "Stopping the Flow of Fentanyl: Public Awareness and Legislative Solutions."
- House Veterans' Affairs Committee hearing on "Rural Access: Is VA Meeting All Veterans Where They Live?"
- Medicare Payment Advisory Commission (MedPAC) January Meetings (Jan. 11-12)
- FDA webinar on "Assessing the Credibility of Computational Modeling and Simulation in Medical Device Submissions Final Guidance."
- Bipartisan Policy Center briefing on "Teaming Up: Policies to Support the Integrated Care Workforce."
- National Press Foundation briefing on "What You Need to Know About COVID Antivirals."

## Friday (January 12)

- Medicare Payment Advisory Commission (MedPAC) January Meetings (Jan. 11-12)

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