

Capitol Hill Healthcare Update

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Trump order seeks to undermine ACA

President Donald Trump didn't mention the Affordable Care Act (ACA) in his inaugural address but later that night he signed a sweeping executive order that directs federal agencies to effectively undermine the health law. The [executive order](#) doesn't repeal the ACA, and it's mostly symbolic – but it is a powerful symbol of a government now committed to undoing the law that the Obama administration spent six years defending in Congress and the courts.

Still, some say the ACA's broad reliance on regulations and executive orders during implementation means those same tools can now be used to undo the law. Trump's executive order called on government departments and agencies to “ease the burdens” on individuals, states and providers “to the maximum extent permitted by law.” The executive order could be cited by states seeking expansive waivers and new flexibilities from the U.S. Department of Health and Human Services (HHS) to introduce Medicaid reforms, like tying work requirements to Medicaid coverage.

Republicans plot ACA next steps

Congressional Republicans are holding an annual policy retreat in Philadelphia this week, and one of the chief topics will be the GOP's plan to repeal and replace the ACA. House and Senate leaders aim to thoroughly discuss with rank-and-file lawmakers the policy and political consequences as well as the timing of actions to change the health law. The Philadelphia retreat will be key because Republicans haven't been able to agree on what comes after the ACA repeal, so GOP leaders hope to emerge from the retreat with policy and political

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consensus.

House Republicans had been intent on repealing the ACA next month – though with an effective date of no earlier than the end of 2018 – and using the intervening months to develop a policy alternative that could unite the party and even attract some Democrats. That plan was sabotaged when several Senate Republicans came out in favor of identifying the replacement plan before voting to repeal the ACA – a position Trump quickly endorsed. The emerging GOP plan would repeal key portions of the ACA using budget reconciliation legislation that Senate Democrats can't block with a filibuster. Rather than wait until later to vote on a replacement, Republicans would try to include replacement elements in the reconciliation legislation and follow up with other health bills later.

Trump and Vice President Mike Pence are scheduled to address Republicans during the retreat. In previous years during portions of the Republican retreats that are closed to the media, lawmakers engaged the president in question-and-answer sessions on a variety of topics. It's not clear whether Trump will similarly participate in Q&A or whether the President will reveal more of his plans for ACA replacement.

House Republicans hold ACA hearings

Two House committees are keeping the pressure on the ACA this week as Republicans continue to lay groundwork for repealing the law. On Tuesday, the Budget Committee examined the “[harmful effects and broken promises](#)” of the ACA while the Ways and Means Oversight Subcommittee looked at the [effectiveness of the individual mandate](#).

Dems pummel Price; HHS pick skirts on drug prices

Senate Democrats last week unleashed a double-barreled attack on Rep. Tom Price (R-Ga.) over his support for repealing the ACA and his ethics. During the Senate HELP Committee hearing, Democrats accused the nominee for HHS secretary of supporting cuts to Medicare and Medicaid of more than \$1 trillion. Price also came under fire for trading in healthcare stock while also actively working on legislation affecting the sector. The majority but not all of Price's stock transactions were broker-directed.

Price was asked by Sen. Bernie Sanders (I-Vt.) to support his legislation permitting Medicare to negotiate directly with

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pharmaceutical manufacturers on drug prices. Trump has also endorsed direct government negotiations on prices. Price has long opposed government negotiation, previously saying it amounted to government price controls. During the hearing, Price walked a tightrope of not disavowing his previous position while also not disagreeing with Trump's. Ultimately, he pledged to work with Sanders to find solutions to rising drug prices.

Price's nomination is not currently thought to be in jeopardy, although he faced similar Democratic criticism during a tense four-hour confirmation hearing of the Senate Finance Committee Tuesday. Republicans have praised the Georgia physician, with Sen. Orrin Hatch (R-Utah) saying Price was one of the "really premier people in the whole Congress" who understands health policy.

Price's nomination likely won't receive a full Senate vote until next month.

GOP senators introduce health bills

Seeking to exploit division within his own party on what should follow the ACA repeal, Sen. Rand Paul (R-Ky.) introduced his [legislative proposal](#) Tuesday to help people pay for insurance with tax credits and health savings accounts. Paul, an ophthalmologist, said his bill would allow individuals and small businesses to exert more leverage over prices by forming associations when buying insurance. Paul's bill also would allow for the purchase of health insurance from an HSA account.

Separately, Sens. Bill Cassidy (R-La.) and Susan Collins (R-Maine) introduced their [legislative proposal](#) Monday to permit states to keep the ACA provisions, including their expanded Medicaid, or transition to a new system of health savings accounts and automatic health plan enrollment. Both Cassidy and Collins hope their bill will attract support from Democrats.

Providers call for value-based payment models

The nation's "leading clinicians, employers, hospitals, biopharmaceutical companies, pharmacists, patients, consumer groups and insurance providers" called on policymakers Wednesday to continue the focus "on driving value-based, patient-centered payment models that incent healthcare innovation." Underscoring the group's commitment to working with the Trump administration and Congress "to build the next generation of healthcare policy,"

Wednesday's [letter](#) cautioned that "Now is not the time for policymakers to signal a shift away from value-based care, either through action or inaction." The letter also enumerates principles "for a modernized, sustainable healthcare system" including payment models that align payers, healthcare providers, providers of long-term care services and clinicians and expanded waivers from fee-for-service legal and regulatory requirements "that impede collaboration and shared accountability."

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