



## Health Policy Briefing

November 26, 2018

### Democrats' Closed-Door Speaker Vote Set for Wednesday

While just three days away from an internal caucus vote on her bid for the Speaker of the House for the 116th Congress, Nancy Pelosi (D-Calif.) still has some work to do. Sixteen Democrats signed onto a letter last week opposing Pelosi for House Speaker arguing that Democrats' November success in winning the House majority was a result of promises made to change the status quo. Pelosi has served as the chamber's Democratic leader for 15 years. The letter was led by Rep. Kathleen Rice (D-N.Y.). The other signers of the letter are Reps. Tim Ryan (Ohio), Seth Moulton (Mass.), Linda Sánchez (Calif.), Ed Perlmutter (Colo.), Kurt Schrader (Ore.), Filemon Vela (Texas), Jim Cooper (Tenn.), Bill Foster (Ill.), Brian Higgins (N.Y.) Stephen Lynch (Mass.) and incoming freshmen Jeff Van Drew (N.J.), Joe Cunningham (S.C.), Max Rose (N.Y.), Ben McAdams (Utah), and Anthony Brindisi (N.Y.). Of these sixteen signers, one of them, Rep. Brian Higgins (N.Y.), has since announced his support for Pelosi after striking a deal to lead the effort in the House on a Medicare buy-in proposal. Another signer, Anthony Brindisi (N.Y.), has not yet been declared the winner in his congressional district race.

Pelosi is also still trying to strike a deal with nine Democratic members of the Problem Solvers Caucus. Reps. Josh Gottheimer (N.J.), Jim Costa (Calif.), Tom O'Halleran (Ariz.), Kurt Schrader (Ore.), Tom Suozzi (N.Y.), Daniel Lipinski (Ill.), Stephanie Murphy (Fla.), Vicente González (Texas) and Darren Soto (Fla.) are withholding their votes for Speaker unless the candidate agrees to reform House rules. The Problem Solvers are pushing for changes, including a supermajority vote requirement to pass legislation under a closed rule and fast-track consideration of any legislation co-sponsored by at least two-thirds of the chamber.

Pelosi otherwise has widespread support within her caucus and is expected to win the internal caucus vote for her nomination. Rep. Marcia Fudge (D-Ohio) had considered running for Speaker but announced last week that she would instead endorse Pelosi, who offered to restore the House Administration Subcommittee on Elections and make Fudge chairman. No other dissenters have announced plans to challenge Pelosi for the leadership position.

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Pelosi has pledged to expand the party's leadership team and create a new position within the Democratic Policy and Communications Committee (DPCC) should she hold the Speaker's gavel next Congress. The DPCC is the Democrat's messaging office and currently consists of three co-chairs elected by the Democratic caucus. Pelosi's proposal would add an additional spot to the office. The Democratic internal caucus votes are scheduled for Wednesday, Nov. 28 and Pelosi will only need a simple majority to become the party's nominee for Speaker during the closed-door vote. She will need a majority of the entire House – 218 votes – when a floor vote is held in early January. Currently the incoming Democratic majority will consist of either 233 or 234 members depending on the outcome of the Brindisi race. That means Pelosi can only afford to lose the support of 15 or 16 members of the full House.

In related leadership election news, Diana DeGette (D-Colo.) has dropped her bid for Democratic Whip. Instead, DeGette will set her sights on chairing one of the Energy and Commerce Subcommittees. Rep. James Clyburn (S.C.) has served as Whip and the Democrats' number three leader since 2006.

### ***Portman, Carper Unveil Report on Cost of Overdose Reversal Treatment***

The Senate's Permanent Subcommittee on Investigations has released a new [report](#) examining the price increase of Naloxone auto-injector EVZIO by drug company Kaléo. According to the report, Kaléo raised the price of EVZIO by more than 600 percent, from \$575 in 2014 to \$4,100 in 2017. The price increase has cost the Medicare and Medicaid programs more than \$142 million over the past four years. The report, which was led by Subcommittee Chairman Rob Portman (R-Ohio) and Ranking Member Tom Carper (D-Del.), states that Kaléo exploited the opioid crisis in its decision to raise the price of EVZIO, and that the company encouraged physicians to attest that the treatment was medically necessary, thus ensuring that it would be covered by Medicare and Medicaid despite the existence of cheaper alternatives. Kaléo has stated that EVZIO was provided to patients free of charge if their insurance did not cover the drug, and that it has never turned a profit on EVZIO.

### ***Senators Question Role of Insurers in Cost of Insulin***

Sens. Susan Collins (R-Maine) and Jeanne Shaheen (D-N.H.) have [written](#) to United Healthcare, Anthem, and Aetna raising questions about rebates and how insulin prices are set. According to the letter, insulin prices have risen 240 percent over the last decade. Collins and Shaheen pose seven questions to each of the companies regarding the insulin supply chain and the role insurance plans play in promoting affordable access to diabetes treatment. The lawmakers request a response by Dec. 14.

### ***Additional Race Called for 2018 Midterm Elections***

Salt Lake County Mayor Ben McAdams (D) defeated incumbent Rep. Mia Love (R) by fewer than 700 votes in the race for Utah's 4th Congressional District.

## GAO Releases Report on MCO Encounter Data Reliability

The Government Accountability Office (GAO) has released a new [report](#) making recommendations to the Centers for Medicare and Medicaid Services (CMS) to ensure regulatory compliance by states with regard to Medicaid managed care organization (MCO) encounter data reliability. The report is a consequence of questions raised by members of the House Energy and Commerce Committee. While the GAO found that all eight states sampled in the report checked MCO-submitted encounter data for reasonableness, the agency asserts that CMS has not provided adequate information on the circumstances under which federal match funds would be deferred or disallowed as a result of data submissions that do not comply with CMS standards. The GAO also found that CMS has only provided limited information on how states should comply with newer regulatory requirements that entail independent audits and annual assessments of state encounter data. The agency recommends that CMS outline the required scope and methodology of audits and annual encounter data assessments.

## Refugee Resettlement Director Reassigned to HHS Faith Center

Scott Lloyd has left his post as director the U.S. Department of Health and Human Services' (HHS) Office of Refugee Resettlement (ORR) and assumed the role of senior adviser to the Center for Faith and Opportunity Initiatives within HHS. Lloyd has faced scrutiny for his handling of ORR's separation of migrant children from their families at the U.S.-Mexico border under the administration's "zero tolerance" immigration policy, and for his efforts to block unaccompanied minors in federal custody from obtaining abortions. Jonathan Hayes, Lloyd's Chief of Staff, will serve as the Acting Director of ORR.

## Upcoming Congressional Hearings and Meetings

*Senate Health, Education, Labor, and Pensions (HELP) Committee hearing to examine reducing health care costs, focusing on improving affordability through innovation; 10:00 a.m., 430 Dirksen Bldg.; November 28*

*Senate HELP Committee Executive Session to markup S. 2076, BOLD Infrastructure for Alzheimer's Act; S. \_\_\_\_, Traumatic Brain Injury Program Reauthorization Act; H.R.315, S.3482, Emergency Medical Services for Children Program Reauthorization; S.3530, Museum and Library Services Act; and Nominations; 10:30 a.m., 430 Dirksen Bldg.; November 29*

*House Committee on Veterans' Affairs hearing "Tracking Transformation: VA MISSION Act Implementation;" 10:00 a.m., 334 Cannon Bldg.; December 6*

## Recently Introduced Health Legislation

*H.Res.1154 — Affirming the importance of the Orphan Drug Act, applauding its lifesaving contributions over its 35-year history, and recognizing the need to continue supporting research and development for rare diseases; Sponsor: Rep. Lance, Leonard [R-NJ-7]; Committees: House - Energy and Commerce*

*H.R.7141 — To direct the Secretary of Labor to issue an occupational safety and health standard that requires covered employers within the health care and social service industries to develop and implement a comprehensive workplace violence prevention plan, and for other purposes; Sponsor: Rep. Courtney, Joe [D-CT-2]; Committees: House - Education and the Workforce, Energy and Commerce, Ways and Means*

*H.R.7157 — To amend title XVIII of the Social Security Act to provide Medicare coverage for all physicians' services furnished by doctors of chiropractic within the scope of their license, and for other purposes; Sponsor: Rep. Paulsen, Erik [R-MN-3]; Committees: House - Energy and Commerce, Ways and Means*