

## ML Strategies Health Care Preview

WEEK OF JULY 8, 2019

Welcome back. This week, the Senate Finance Committee is set to meet privately to discuss the drug pricing legislation being developed by the committee. All signs point to a deal being close with a few outstanding provisions, but it is unclear if the package will be finalized before they hold on a hearing – which could happen during the work period this month, prior to Congress adjourning for the August recess.

Various reporting [suggests](#) some Republicans are concerned about Ranking Member Ron Wyden’s proposal requiring drug companies to pay back rebates when prices rise faster than inflation. The Finance package will focus primarily on Medicare Part B and D as well as Medicaid, making the pathway to passage challenging as aspects of the deal will have to be considered by the House of Representatives. The meeting this week will be crucial to gauging whether Congress can get something passed before the August recess. With four weeks left, every day counts.

Meanwhile, a [number of states](#) are moving ahead with their own drug cost measures, aimed at providing increased transparency and lowering costs. In Texas, drug manufacturers will be required to disclose when a drug’s wholesale acquisition cost increases 15 percent or more compared to the previous year or 40 percent or more over the past three calendar years. This legislation also requires annual reporting by manufacturers, pharmacy benefit managers, and health plans, with the information being published annually.

Last week, the President said he [would issue](#) an executive order mandating a policy in which U.S. payments for drugs would be capped at the lowest price paid by either a manufacturer or a developed country. It is unclear how similar this policy will be to the administration’s international price index proposal which would cap U.S. drug payments based on average of prices paid in an index of developed nations.

### ACA ORAL ARGUMENTS THIS WEEK

The U.S. Court of Appeals for the Fifth Circuit is set to hear arguments on whether to uphold a federal district court’s ruling striking down the Affordable Care Act (ACA). The court is comprised of three judges, two of whom appointed by by Republican Presidents and one by a Democrat, although [they are considered](#) among the “more measured and thoughtful members of the U.S. Court of Appeals for the 5<sup>th</sup> Circuit...,” according to the *Washington Post*.

Such as they are, given the high stakes political nature of this case, many are expecting this case to make its way to the Supreme Court, putting the case on the 2020 calendar and front-and-center in the 2020 election cycle. This ruling has the potential to reshape the political debate should the ACA face another existential threat, in addition to fueling questions of what comes after the ACA for both Republicans and Democrats.

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

No relevant hearings this week.

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

**Aging** – How the Special Diabetes Program is Changing the Lives of Americans with Type 1 Diabetes ([Wed @ 9:30](#))

### **SIGN UP**

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### **TEAM**

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