Weekly Checkup

Why Bipartisanship on Drug Pricing Continues

CHRISTOPHER HOLT | APRIL 5, 2019

On Wednesday, the House Energy and Commerce (E&C) Committee reported out 12 health care bills to the full Congress. It was a busy day, to be sure, but more interesting is the partisan breakdown of the votes. **About half the bills were reported with unanimous bipartisan support, while the rest were reported on party-line votes**. So, what was different between the two sets of bills?

Immediately after the November 2018 election, I argued in the Weekly Checkup that the outlook for health policy was mostly a stalemate, but with some opportunity for bipartisanship on drug pricing. Since then, this is largely what has played out. The growing calls from progressives to move toward single-payer, paired with the ongoing *Texas vs. Azar* lawsuit, has served to further poison the well of potential bipartisan collaboration on health policy. In fact, of the bills that passed along party lines this week, two seek to restore Affordable Care Act (ACA) exchange marketing programs curtailed by the Trump Administration, one aims to provide new funding for the establishment of state-based exchanges, one would block the administration's rulemaking on short-term limited-duration insurance (STLDI), and one would provide new federal funding for state-based reinsurance programs to further "stabilize" the exchanges. No Republican E&C members supported any of these efforts.

On the other hand, **E&C Republicans and Democrats all embraced legislation tackling the issue of drug costs**. The CREATES Act, aimed at making sure generic drug manufactures have access to necessary samples of brand-name products for testing and development, passed 51 to 0. Its prospects look good in the Senate Finance Committee, too, where Chairman Grassley and Ranking Member Wyden are supportive. Five other drug pricing bills passed by voice vote, including bills to prevent the abuse of exclusivity periods by the first generic applicant to block other generics from entering the market, and to

prohibit pay-for-delay arrangements where a brand-name manufacturer pays a generic manufacturer to not produce a competitor.

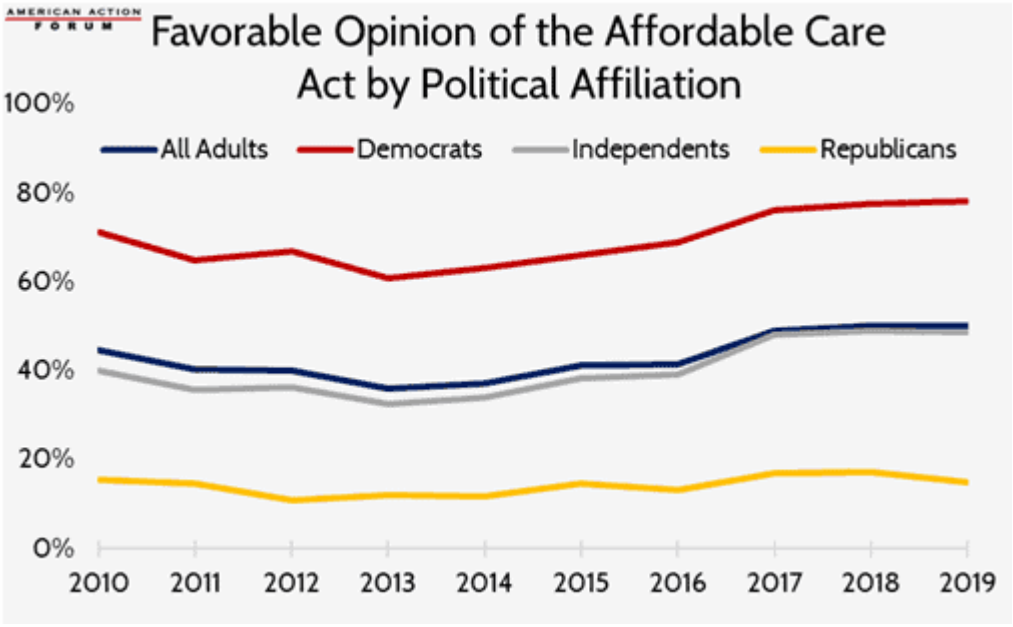
So why the difference? **Republicans and Democrats are each unified internally on two very different directions for the American health care system**. When thinking about virtually any issue touched by the ACA, Republicans and Democrats are pulling in opposite directions. That doesn't mean there isn't agreement on objectives—both parties want high-quality, low-cost health care delivered to as many Americans as possible—but there is a chasm between the two sides on how to achieve those outcomes. Further, most policy ideas originating on the right (think expanded access to STLDI or Association Health Plans) are seen on the left as steps in the wrong direction, and vice versa (for example, expanding eligibility for ACA premium subsidies or the creation of a public option insurance plan).

On drug prices, however, the policy initiatives aren't as interconnected. A Republican member can support CREATES without worrying that it will build momentum for repealing Medicare's noninterference provision. Additionally, in the current political context there is simply more agreement when it comes to drug pricing. Voters regardless of party are worried about the cost of medication. Add to that a Republican president who is receptive to Democrats' policy ideas in the drug space, the Democratic takeover of the House, and the change in Senate Finance Committee chairmanship from Orrin Hatch—a close ally of the drug industry—to Chuck Grassley, who has long been skeptical of some segments of the industry. All together, **these factors lead to a unique opportunity for bipartisan lawmaking in the otherwise partisan minefield of health policy**.

CHART REVIEW

Kate Dixon, Health Care Policy Intern

This week, President Trump announced via Twitter that health care efforts to repeal and replace the ACA will take place after the 2020 election. The ACA has always been politically divisive, as reflected in a poll by the Kaiser Family Foundation dating back to April 2010. Yearly averages for favorable opinions of the ACA dipped slightly across all parties between 2012 and 2014. Favorability of the ACA among all voters, however, peaked in 2018 at 50 percent favorability and has maintained that average over the first three months of 2019.



FROM TEAM HEALTH

What the President's Budget Foreshadows for Future Drug Pricing Initiatives

A big priority of the Trump Administration is lowering drug prices, and the president's budget accordingly contains a range of proposals for the government's various health care programs. AAF's Deputy Director of Health Care Policy Tara O'Neill Hayes explains these proposals and analyzes their potential effects on drug prices.

WORTH A LOOK

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