



## Weekly Checkup

# When September Comes

CHRISTOPHER HOLT | SEPTEMBER 6, 2019

My kids started school this week, the weather is slightly less oppressive, and Congress is coming back from its August recess on Tuesday. The first two are promising. Congress? Not so much. **There are a number of health policy matters on tap this month, but substantive policy actions seem unlikely.**

Here's a partial preview of what's ahead.

**Drug pricing will remain front, center, and completely unclear.** President Trump has made [references](#) to another executive order targeting pharmaceuticals, and many are anticipating a [proposed rulemaking](#) on the International Price Index. The president's [embrace](#) of drug importation from Canada will be in the news as Florida has officially [presented](#) its importation proposal to the Secretary of Health and Human Services for approval, even as the Canadian government [raises concerns](#) about the effort. It is not obvious which of these initiatives gets to the finish line.

A similar dynamic is at work in the House. **Speaker Pelosi is promising to introduce legislation curbing drug prices this month, though details are sparse. Pelosi, however, is facing the threat of revolt from progressive members of her caucus** who have repeatedly [suggested](#) they won't support the legislation if it doesn't veer far enough toward their ideological preferences.

Finally, the **Senate's path on drug pricing is likewise opaque.** Both the [Health, Education, Labor and Pensions Committee](#) and the [Finance Committee](#) have produced substantial packages of policies targeting drug prices, but these bills' path to floor consideration is unclear, particularly given that a majority of Republican Finance Committee members opposed that bill.

Beyond pharmaceuticals, **the president has [made](#) repeated allusions to a forthcoming comprehensive health care plan. Once again, details are hard to come by,** but administration officials have suggested it could be released this month, making it a dark horse to disrupt September.

**There are two live legislative items that likely will see congressional action. First, there are at least twenty health care related funding streams, policy delays, and authorizations that will expire at the end of the month if they aren't reupped, as well as another 10 or so that lapse at the end of the year.** These "[extenders](#)" include funding for things like community health centers and the special diabetes program. Most likely, the September 30<sup>th</sup> extenders will be temporarily continued to the end of the year when they, and those expiring in December, will be rolled into an end-of-year FY2019 funding package—which is also the most realistic opportunity for enacting any drug-pricing policies.

**The second item on which action is seemingly assured in the Senate is a messaging food fight over preexisting-condition protections.** Democrats attribute some of their 2018 success to messaging around preexisting conditions and are eager to keep the issue front and center. Senate Democrats are [expected](#) to use the [Congressional Review Act](#) to force a vote on administration guidance related to [Section 1332 waivers](#), which allow states to deviate to a limited degree from the Affordable Care Act's statutory requirements on insurance

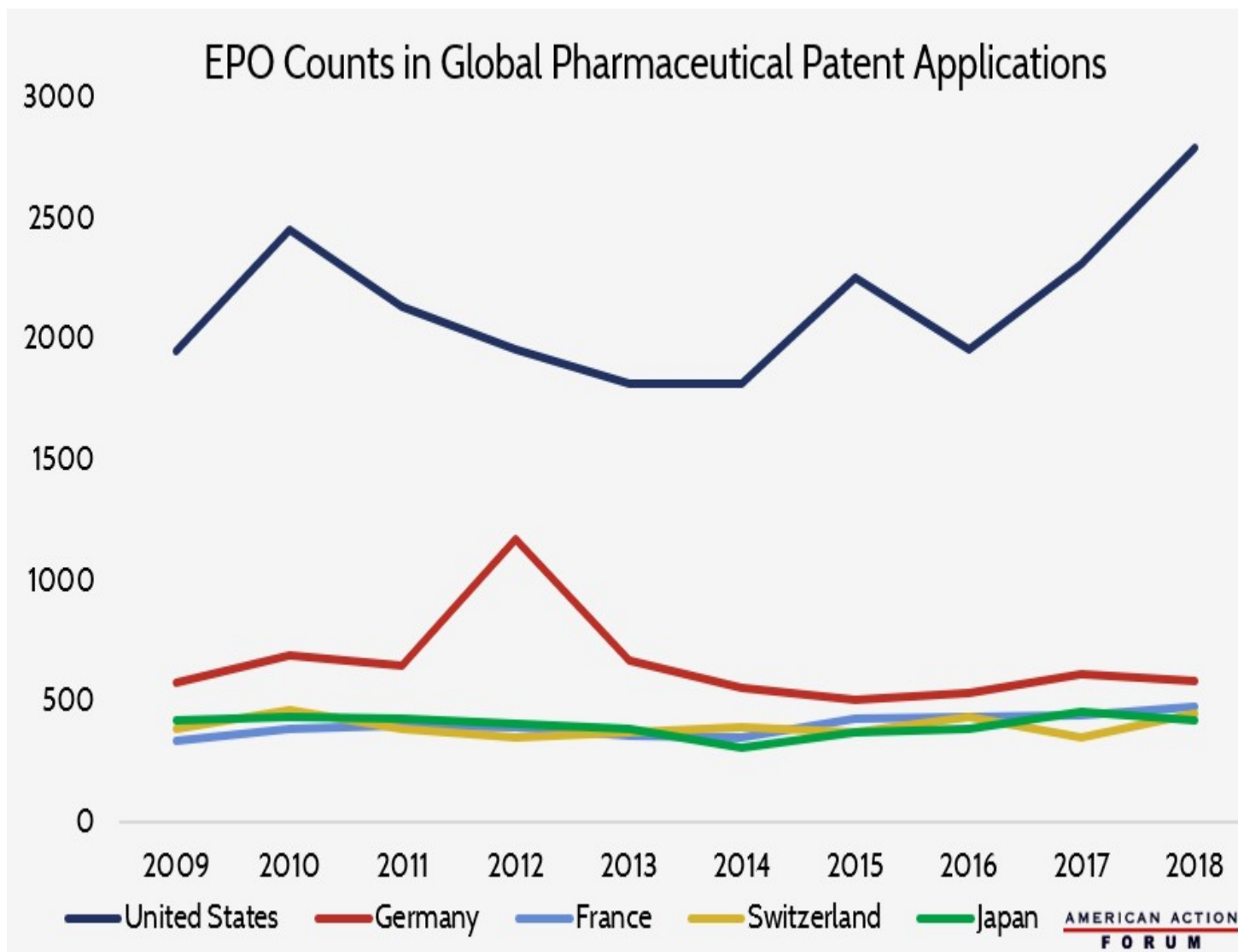
coverage. At issue is the administration's move to allow expanded use of [short-term limited-duration plans](#), which many Democrats in Congress decry as junk plans, and the possibility of federal insurance subsidies flowing to those plans as part of a 1332 waiver. Expect a lot of heated rhetorical hand wringing about Republican attempts to roll back the coverage protections for vulnerable Americans, but the guidance is intended to expand insurance options, not take them away.

**So there you have it: a very busy September, with the most likely substantial outcome being Congress punts some funding decisions to the end of the year.** Get ready for a long December.

## CHART REVIEW

[Andrew Strohman](#), Health Care Data Analyst

In debates over the future of the U.S. health care system, the relative priority of innovation is a central point of contention. One metric for innovation is patent applications such as for pharmaceutical products. According to the [European Patent Office](#) (EPO), the United States has been the largest source of pharmaceutical advancement in the world since at least 2009. The next largest contributor to pharmaceutical patents is Germany, accounting for 7.8 percent of 2018 applications compared to 37.6 percent from the United States. France, Switzerland, and Japan, comprising the rest of the top five, held around 6 percent of applications each. Since the United States is the plurality of the world's pharmaceutical innovation, proponents of any domestic health care reform ought to consider that changes to domestic drug R&D may have broader global health implications.



Data obtained from [the European Patent Office](#)

## WORTH A LOOK

[Wall Street Journal](#): Insurers Pitch New Ways to Pay for Million-Dollar Therapies

[Modern Healthcare](#): Federal judge signs off on CVS-Aetna merger after post-deal review