

2019 Outlook: Drug Prices, Obamacare in Lawmakers' Sights

By Shira Stein

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- Protecting Obamacare the top priority for Democrats
- Potential for bipartisanship on lowering drug prices

The Democrat-led House in the new Congress that begins Jan. 3 will double-down on health care as an issue, and the new GOP chairman of a key Senate committee is ready to focus on measures that could reduce drug prices.

Democrats, whose messaging around protecting insurance coverage for people with pre-existing conditions helped them win control of the House, say they'll pay special attention to shoring up the Affordable Care Act in the coming year.

Meanwhile, Senate lawmakers are expected to focus on policy to reduce health-care costs, improve rural health care, and push back against surprise doctor bills. House Democrats can be counted on to provide additional scrutiny of the Department of Health and Human Services and drugmakers.

The spotlight on health-care issues in the new Congress may grow even brighter in the aftermath of the December ruling by a federal court in Texas that invalidated the Affordable Care Act. The law will remain in effect as an appeal winds its way toward the U.S. Supreme Court.

Addressing Obamacare

Democrats are making shoring up Obamacare and protecting the law from the Trump administration's actions among their main priorities in the new year.

"Democrats have made lowering Americans' health costs a top priority for a Democratic Congress, and a core part of that is fixing the cruel and costly damage that Republicans' ACA sabotage and destabilization effort has inflicted on insurance premiums across America," Henry Connelly, a spokesman for Democratic leader Nancy Pelosi (D-Calif.), said in a statement following the midterm elections.

President Donald Trump has been trying to sabotage the law, and "all his efforts are just driving up costs and making health insurance less affordable," Rep. Frank Pallone Jr. (D-N.J.), who will lead the Energy and Commerce Committee, said in an interview last fall.

Democratic leaders from the three main House committees that deal with health-care issues introduced a measure to bolster the Affordable Care Act in late 2018.

The bill would eliminate the cap on eligibility for premium tax credits and cost-sharing subsidies; prevent the expansion of short-term health plans; preserve essential health benefits such as hospitalization and prescription drugs; and protect insurance coverage for people with pre-existing conditions.

Democrats have said their first health-care bill for 2019 will seek to maintain protections for pre-existing conditions, but they haven't provided more details.

Democrats are also likely to cast a harsh spotlight on the HHS's changes to health-care policy. Pallone said a key part of health-care oversight is looking at how the HHS is making health care less affordable and what the department is doing to "jack up prices."

Lowering Drug Prices

Drug pricing is a rare area where Democrats and Republicans can find common ground, and leaders of some of the main health-care committees in the House and Senate are concerned about the high cost of drugs and are encouraging generic drug development.

"I'm an advocate for negotiated prices under Medicare and trying to encourage generics" to market, Pallone said.

"My sights are set squarely on lowering drug prices without compromising access for innovative cures and treatments delivered by the American pharmaceutical industry," incoming Senate Finance Committee Chairman Chuck Grassley (R-Iowa) said in a speech on the Senate floor. "I'm working to set things right. That includes putting a stop to the shenanigans that manipulate regulatory loopholes and unfairly extend monopolies over certain drugs."

This is also an area where increased scrutiny will be coming from the House Oversight and Energy and Commerce committees.

Democrats haven't decided which part of "skyrocketing drug prices" they want to take on, but they definitely plan to do so, incoming House Oversight Committee Chairman Elijah Cummings (D-Md.) said in an interview.

The Energy and Commerce Committee will take a role in enhanced scrutiny of high drug prices and the Trump administration's changes to Obamacare because Pallone recognizes the Oversight Committee will be busy with other investigations, Mike Strazzella, leader of the federal government relations department at Buchanan, Ingersoll & Rooney, said in an interview.

Other Issues

- The Senate Health, Education, Labor, and Pensions committee held five hearings in 2018 on lowering health-care costs, and the chairman, Lamar Alexander (R-Tenn.), said he plans to focus on making changes in the new Congress. Grassley has also said lowering these costs are a priority for him. “The best opportunity for success sometimes is with divided government,” Alexander said at an Axios event. He and Sen. Patty Murray (D-Wash.), the ranking Democrat on the HELP Committee, are known for their bipartisan cooperation.
- Grassley said he also plans to address rural health care. “That will be a very welcomed focus, given the challenges that are facing rural health care today,” Mark Hayes, who was Grassley’s chief health counsel for the Finance Committee from 2002 to 2010, said in an interview.
- Members of Congress have started to push against the practice of expensive, unexpected doctor bills, known as surprise billing, and Alexander said he wants to address it, although he’s not sure how yet. A bipartisan group of six senators introduced a bill in 2018 to address these practices, and it’s likely they will reintroduce it in the new Congress.
- Medicare for All will likely end up on the back burner. The makeup of Congress is going to require the majority to “focus on stabilizing the Affordable Care Act rather than come up with a totally new system, which probably won’t have the votes,” Pallone said.

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