



Capitol Comments

LEGISLATIVE UPDATE

Predictions for 2018

In a special section of this month's Capitol Comments, I'm highlighting the predications made by Jason Cleckler, CEO of Delta County Memorial Hospital, on what will happen in 2018, legislatively speaking.

National-level

- Prepare for disruption and preempt it by disrupting yourself.
 - All the mergers in 2017, Apple and Google getting into the healthcare arena, and the Amazon, JP Morgan, Berkshire Hathaway announcement are going to make a sizeable impact on the industry. It's best to prepare early for those disruptions.
- The ACA will continue to be a target. We should expect to see bills introducing different payment systems, especially related to Medicaid (e.g., privatizing Medicaid, block grants, etc.).
- Transparency in charges and drug prices will be a major topic of discussion.
- Attacks on 340B will continue, potentially pitting Big Pharma against rural and disproportionate share hospitals.

Colorado-specific

- Expects to see options for state-wide funding to address the opioid emergency. Bills may focus on curbing abuse, reforming prescribing practices, and alternate options for pain control.
- Behavioral health continues to be a major issue in Colorado. Predicting rural and regional partnerships will continue cropping up, focused on breaking down stigma, increasing access, and improving care.
- Rural broadband will be a focus of state legislators (he nailed it on this one, see [SB18-002](#)).

In all, we are looking at a year of uncertainty. Colorado is getting a new governor and the midterm elections are shaping up to be exciting across the nation. Thanks for sharing your predictions, Jason!

Federal

“Bipartisan” is just another 10-letter word. The government shutdown for three days in January. It seems Congress and the White House couldn't agree on how to fund the government, how to fund CHIP, and what to do with the Dreamers. So, being a group of ace negotiators, they missed the deadline, shutdown the government and blamed each other for three days. It could be argued that more thought was put into Twitter hashtags than a funding deal.

It reopened with a vote on a continuing resolution that will kick the “how to fund the government” can down the road to the first week of February. (This January deadline was the date set by the continuing resolution passed in early December 2017. We still don't have a budget for 2018.) Now we wait and see what the next round of negotiations will bring. At least children will no longer be a bargaining tool this time around (the Continuing Resolution passed on January 22nd includes funding for CHIP for 6 years).

Alex Azar was [confirmed as Secretary of Health and Human Services](#). Let's hope this guy likes flying commercial. Before becoming Secretary, Azar was President of Lilly USA, a pharmaceutical company (that

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more than tripled the price on insulin during his tenure). He served as Deputy Secretary of HHS under President George W. Bush and was HHS' General Counsel. A couple highlights from various profiles of Azar:

- Spoke in favor of converting Medicaid funding into block grants.
- Has stated Medicaid expansion under the ACA was unsuccessful.
- Led the deployment of the Strategic National Stockpile after 9/11 and assisted in the creation of a public health emergency preparedness office within HHS.
- Involved in the development of Medicare Advantage and Medicare Part D.
- Former colleagues of Azar believe he will apply value-based models to drug payments.

And what about 340B? Well, the lawsuit is being appealed and the House bill is stuck in a subcommittee. [HB 4392](#) was introduced in November 2017 and hasn't moved from the subcommittee on health since. There are currently 183 co-sponsors (and counting), yet no movement. This bill has bipartisan support, yet it isn't moving. The bill would permanently block the cuts CMS finalized in the 2018 OPPS Rule. There are a lot of WHA hospitals that will be hit hard by those cuts. Take the time you aren't spending skiing this winter and call the Colorado Representatives and urge them to get this bill moving (and to continue support or start to support the bill).



Colorado

The Financing Rural Broadband Deployment bill ([SB18-002](#)) passed out of committee on January 31st (yay!). There were rumblings of certain national internet service providers lobbying hard to limit the acceptable speed to quite a low level. In all though, this is shaping up to be the year the rural broadband fund gets some much-needed dollars. This bill would transfer the High Cost Support Mechanism fund to a new fund that would subsidize rural broadband build-out.



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