

## The Senior Citizens League (TSCL) Monthly Washington Update December 2023

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Congress adjourned for the holidays last month, ending a year filled with history-making drama in the House of Representatives but very little in the way of accomplishment. In this update, we review what happened in December, and we'll look ahead to 2024 and what Congress still has to do, especially as it relates to the concerns of seniors.

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“I want my Republican colleagues to give me one thing, one thing, that I can go campaign on and say we did,” Roy said. “Anybody sitting in the complex, if you want to come down to the floor and come explain to me one material, meaningful, significant thing the Republican majority has done besides saying, ‘Oh, it is not as bad as the Democrats.’”

There were a whopping nineteen votes just to name a House speaker, and just twenty-seven actual laws were signed, many of them routine, like renaming buildings. The biggest legislative victories were bills that did nothing more than avert self-created problems, like potential government shutdowns.

They did pass legislation to fund the government at 2023 levels for two separate dates: January 19, 2024 for the departments of Agriculture-Rural Development, Military Construction-Veterans Affairs, Energy & Water, *and* Transportation-HUD; and February 2 for the departments of Commerce-Justice-Science, Defense, Financial Services & General Government, Homeland Security, Interior-Environment, Labor-HHS-Education, Legislative Branch, *and* State & Foreign Operations.

That means they'll have just over two weeks to agree on funding for the departments covered under the January 19 date and about four weeks for the rest. Yet they will not be back in session until January 9 next week, giving them only ten days to meet the first deadline or face a partial government shutdown.

As noted above, the deadline to fund the Department of Health and Human Services (HHS) is February 4. That's the department that oversees CMS – the Center for Medicare and Medicaid Services, so Congress will need to agree on new funding by that date.

In addition to funding the government departments, they will also be working to reach an agreement on emergency funding for aid to Ukraine, Israel, Taiwan, and U.S. border security.

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### **Medicare Transparency Bill Passes in the House**

One of the few things the House of Representatives managed to accomplish in 2023 was the passage on December 11 of H.R. 5378, the *Lower Costs, More Transparency Act*, a bipartisan healthcare bill that would impose new transparency requirements on Pharmacy Benefit Managers (PBMs).

If passed into law, the measure would increase reporting requirements for insurers, hospitals, and pharmacy benefit managers, which manage prescription drugs for insurers.

Starting in 2025 Medicare Advantage organizations would have to report information to HHS on incentive-based payments made to healthcare providers with a financial ownership interest in the Medicare Advantage company.

Medicare Part D drug plan sponsors would have to report to HHS on each pharmacy in which the sponsor, or a pharmacy benefit manager offering services under the plan, has an ownership or control interest.

Starting in 2029, the Medicare Payment Advisory Commission would have to release a report on the state of vertical integration in Medicare every three years.

In addition, Medicare and its beneficiaries would pay the same rate for physician-administered drugs in hospital outpatient departments outside the hospital facility as they do in physician offices, which typically have lower payment rates.

HHS would phase in the provision over four years, with the site-neutral payments being fully applicable beginning in 2028 or 2029 for hospitals in rural areas or areas with a shortage of healthcare workers.

Unsurprisingly, hospitals and PBMs have pushed back against the legislation.

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### **The U.S. Health Care Spending Exceeds Six Countries Combined**

According to a report in *StatNews*, "... the U.S. government spent more on health care last year than the governments of Germany, the U.K., Italy, Spain, Austria, and France combined spent to provide universal health care coverage to the whole of their population (335 million in total), which is comparable in size to the U.S. population of 331 million."

The article points out that "This isn't an aberration. The fact that, for many years, more taxpayer dollars have gone to health care in the U.S. than in countries where the health system is actually meant to be taxpayer-funded is central to the argument made by economists Amy Finkelstein and Liran Einav in their recent book, 'We've Got You Covered: Rebooting American Health Care.'"

The U.S. devotes more resources to health care than any other country, with patients, employers, and government health programs spending \$4.5 trillion last year. Hospitals get the biggest share by far, taking in more than three times what Americans pay at the pharmacy on prescription drugs. Rising hospital prices have helped make health insurance more costly.

Yet higher prices generally aren't linked to better care, according to a 2020 review of dozens of studies. And while hospitals often say they must charge insurers more to make up for lower reimbursements from U.S. government health plans, facilities that treat more patients on public plans don't always charge the highest prices.

Thanks to decades of consolidation, most U.S. hospitals don't have a nearby competitor. Just 4% of hospitals are in competitive markets based on standard measures of market concentration, according to a *Bloomberg News* analysis of data from Yale University's Tobin Center for Economic Policy.

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### **Lowering Drug Prices at the top of HHS Agenda this Year**

The costs of prescription drugs and working to lower them will be among the top health issues facing the Biden administration in 2024, with Supreme Court activity, drugmaker lawsuits, and other hurdles expected to complicate the course.

The Health and Human Services Department has spent the better part of the past year proposing regulations and issuing guidance around hot-button health issues like rising drug costs, reproductive rights, and discrimination.

The agency is heading into 2024 with a handful of proposed rules awaiting finalization and guidance for implementing a landmark program allowing the government to negotiate what Medicare pays for high-cost drugs that are under attack from the pharmaceutical industry.

One of its primary efforts will be to continue defending Medicare drug price negotiations in lawsuits brought by AstraZeneca, Boehringer Ingelheim, and others.

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For progress updates or more information about these and other bills that would strengthen Social Security and Medicare programs, visit our website at [www.SeniorsLeague.org](http://www.SeniorsLeague.org) or follow TSCL on [Facebook](#) or [Twitter](#).