

Policy Update

Repeal and Replace? What Happened and What Lies Ahead

By David White

The legislative effort to repeal the Affordable Care Act (ACA) suffered a stunning setback when the bill designed to replace the ACA, the American Health Care Act (AHCA), was withdrawn from consideration on the floor of the House of Representatives on March 24. After seven years of Republicans in Congress promising to strike the signature health care law of former President Barack Obama, this strategic legislative undoing so rapidly and publicly left many in Washington scratching their heads. How did it happen and what comes next? How it happened is becoming clearer. What comes next is still difficult to see.

In September 2016, then Republican nominee Donald J. Trump told “60 Minutes” that when it comes to repealing Obamacare, he was “going to take care of everybody. I don’t care if it costs me votes or not. Everybody’s going to be taken care of much better than they’re taken care of now.” This mantra became a rallying cry for his campaign and for many Republicans in, or running for, Congress. When the dust settled from the November 2016 elections, the Republicans had maintained control of the Senate, not expected just 10 months before, and the House had won the White House—a surprise to nearly all including, many said, the Trump campaign itself.

With that aligning of control in the legislative and executive branches, repeal of the ACA was considered by most to be a foregone conclusion. Republican leadership in Congress decided to use a little known legislative device called budget reconciliation to accomplish ACA repeal. The reconciliation process can be temperamental. The rules in the Senate require it to be used directly with a budget resolution and allow it to only have one set of instructions for three distinct categories: revenues or taxes, expenditures, and the

national debt. Why use such a constraining legislative device? Because in the Senate, a reconciliation vote cannot be filibustered, meaning it only needs 51 votes to pass—not the 60 needed to end a filibuster. Republican leaders in the Senate knew they could not make it to 60 votes.

On the same day as his inauguration, President Trump optimistically signed an executive order directing agencies to begin preparing for the repeal of Obamacare. The AHCA repeal bill was introduced by House Speaker Paul Ryan and fellow Republicans the first week of March 2017, and Health and Human Services (HHS) Secretary Tom Price joined in attempting to sell the plan. However, many conservatives were not pleased and felt the bill did not go far enough.

In the days that followed its introduction, the bill appeared to be on track and was approved by the House Energy and Commerce Committee and House Ways and Means Committee. But that appearance was not the complete picture.

As Speaker Ryan and HHS Secretary Tom Price were promoting the plan, the conservative Freedom Caucus of the House Republican Caucus were planning something different. On the evening of March 7, the Freedom Caucus met in a conference room in the Rayburn House Office Building and made a secret pact.

The pact was an agreement that no caucus member would commit their vote before consulting with the entire group—not even if President Trump himself called to ask for an on-the-spot commitment. The idea, hatched by Freedom Caucus Vice Chair Rep. Jim Jordan (R-Ohio), was to bind them together in negotiations and ensure the White House or House leaders could not peel them off one by one. Twenty-eight of the group’s roughly three dozen members

made the pledge. Three weeks later, Republican leaders, as many as 25 votes short of passage, were forced to pull their bill from the House floor.

During a last-minute Friday, March 24, afternoon plea from Vice President Mike Pence, Freedom Caucus members including Reps. Andy Harris (R-Md.), Scott DesJarlais (R-Tenn.) and even Mark Meadows (R-N.C.) were visibly upset, *Politico* reported. But no one cracked before Speaker Ryan pulled the bill.

Since then, recriminations have been made and fingers have been pointed among Republicans.

Senate Minority Leader Charles Schumer (D-N.Y.) signaled that Democrats will not let the issue go, saying his party would be willing to work with Republicans if the GOP stops “undermining” ObamaCare. “We Democrats, provided our Republican colleagues drop replace and stop undermining the ACA, are willing to work with our Republican friends—as long as they say, ‘no more repeal,’” Schumer said March 27 during an interview on ABC’s “This Week,” referring to the Affordable Care Act.

What’s next?

Secretary Price indicated in early March that ACA repeal would be done in three phases.

- Phase One: Repeal ACA through legislation.
- Phase Two: Review all regulations pertaining to ACA.
- Phase Three: Pass insurance legislation to allow selling across state lines and grant the government authority to negotiate lower drug prices.

The details of these three phases remain unclear. There is nothing preventing Congress and the Trump Administration from continuing to try to repeal or water down the ACA. ●

White House Budget Would Severely Cut Kidney Research

By Zachary Kribs

On March 16, 2017, President Trump released the annual White House Budget Request. Dubbed the “Skinny Budget,” the budget—while light on details—is heavy-handed in the cuts it proposes to non-defense discretionary (NDD) funding. Chief among the \$54 billion worth of cuts to NDD funding is a \$15.1 billion cut to the Department of Health and Human Services (HHS), roughly 18% less than the department received last year.

The National Institutes of Health (NIH), which resides within HHS, would receive an even larger cut proportionally. If enacted, President Trump’s budget would result in the loss of \$5.8 billion, over 18% of the NIH’s funding from the previous year. If distributed equally among all of the research centers that comprise the NIH, cuts to the National Institute of Diabetes and Digestive and Kidney Diseases (NIDDK) would total nearly \$332.8 million.

Additional provisions including the elimination of the Fogarty International Center, which researches the effect of global climate change on international health outcomes, and the “consolidation” of the Agency for Healthcare Research and Quality (AHRQ) into the NIH could result in an additional \$10 million cut from NIDDK’s budget.

The cuts proposed by President Trump would be devastating to medical research. Facing nearly 20% cuts to their budget, the NIH would be forced to reduce funding for many existing grants, and to decrease the number of available grants, making already competitive funding even harder to come by. These cuts would filter directly to universities and labs across the country, and would result in a shortage of opportunities for scientists and a decrease in participation by this highly skilled workforce.

The kidney research community would be especially at

risk. According to a recently released report by the Government Accountability Office (GAO), kidney research is vastly underfunded in comparison to the cost effects that kidney diseases and kidney failure have on Medicare. Spending more than the 2017 budget of the entire NIH on treating kidney failure alone through Medicare’s End Stage Renal Disease (ESRD) program, the federal government invests less than 1% of the amount spent on kidney disease in kidney research.

Additionally, the GAO report found that NIDDK spends what scant allocations it does receive judiciously, sending the majority of its allocation directly to researchers in the community. The GAO report found that NIDDK was in need of increased funding, and should not be made vulnerable to arbitrary cuts that will slow the development of life-saving, and cost-saving, treatments for kidney diseases. ●



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