

2020 Legislative Watch: What Employers Need to Know

2019 health policy highlights and what to look for in 2020

A look back at 2019

On December 19, 2019, both chambers of **Congress passed a spending bill** that included a series of changes to healthcare policy. That bill was passed by the House by a vote of 297 to 120, and the Senate by a vote of 71 to 23. The budget deal will fund the government through September 30, 2020, although several healthcare programs will expire near the end of May 2020. The wide-ranging spending deal funds or otherwise addresses many important health-related policies and programs.

The spending **deal will fully repeal three of the ACA's most significant taxes**: the health insurance tax, the Cadillac tax, and the medical device tax. Repeal of the health insurance tax would not take effect until 2021, meaning the tax—which has already been built into many premiums for the 2020 plan year—will remain in effect for 2020. The Cadillac tax and medical device tax are repealed beginning in 2020. These taxes were designed to help pay for the ACA's coverage expansion. Collectively, repeal of the three taxes would result in the loss of \$373.3 billion in projected revenue over 10 years. The most significant revenue loss will come from repeal of the Cadillac tax (\$197 billion) followed by the health insurance tax (\$150.8 billion) and the medical device tax (\$25.5 billion). These provisions were passed without “pay-fors” or offsets in other spending, so the nearly \$400 billion cost for repeal of these taxes was added to the federal deficit.

Also of interest to the National Alliance, and many of its members, the bill includes about \$3.3 billion in funding for PCORI through fiscal year 2029.

Continuing efforts in 2020

Despite the hard work of the Coalition Against Surprise Medical Billing (of which the National Alliance, along with many member coalitions, is a member) **legislation to address surprise medical bills** was not included in the final spending bill, nor was it passed as a part of any other legislation in 2019. We plan to continue advocating for legislation that addresses surprise medical bills in a way that is fair and transparent to patients and payers, including employers. And while the version(s) of legislation that seemed most promising for inclusion in a spending bill at the end of 2019 included the use of arbitration in some limited circumstances, our position remains strong that arbitration should not be part of the solution to this issue.

Prescription drug pricing bills, including provisions related to drug price transparency, are also under consideration for legislative action in the first half of 2020. Like the surprise billing issue, prescription drug bills were introduced and discussed in Congress during 2019, but nothing was included in the end-of-year spending bill. These various proposals include topics such as drug price negotiation, and benefit designs in the Medicare program. The National Alliance, through [EmployersRx](#), has been advocating that employer sponsored plans are not excluded from any reform efforts here.

Early indications are that both surprise medical billing and prescription drug pricing provisions are being considered for inclusion in the spending bill that addresses funding expirations for certain healthcare programs in May of 2020 (see above). Unfortunately, our colleagues who are more experienced in lobbying report that if these topics aren't addressed in that bill, there is very little chance of anything else happening the rest of this year, since attention will be re-directed toward the presidential election.

The National Alliance will continue to monitor for updates on these topics and alert members to important developments.

Health Policy in Transit A Purchaser Viewpoint