

## End-of-Year Funding Bill and Next Steps in January

On December 21, Congress passed a Continuing Resolution (CR) and sent it to President Biden for his signature, averting a looming federal government shutdown. This legislation extends federal government funding through March 14, 2025, and unfortunately does not contain many of the health policy reforms that were included in earlier versions of the bill.

The final CR includes a set of policies to continue certain existing health care programs, commonly referred to as “extenders.” These are requirements to continue things like funding for community health centers, waivers for telehealth in Medicare, and hospital-at-home programs at current funding levels.

### Remaining Policies Not Included in Continuing Resolution

What is NOT included in the final bill is any of the pharmacy benefit manager (PBM) reforms that had been included in earlier drafts of the legislation. These are policies that the National Alliance and our allies have consistently supported over the past several years, focused mostly on increased transparency requirements. Included in the initial bill, but dropped from the final CR, are policies that would:

- Mandate end-to-end transparency for PBMs to report on all rebates and service fees to plan sponsors
- Require all rebates and discounts collected by PBMs be passed onto plan sponsors
- Ban “spread pricing” in Medicaid
- Delink the price of drugs from PBM reimbursement in Medicare

The initial bill also included additional reforms strongly supported by the National Alliance, including:

- Banning so-called “patent thickets” by drug manufacturers, by which drug makers sought to stifle competition by making it harder for generic and biosimilar alternatives to enter the market
- Improves hospital billing transparency by requiring all outpatient departments of hospitals to bill under a unique national provider identifier

### Next Steps

We are disappointed that these reforms – which had significant bipartisan support – did not make it into the final bill. However, there are reasons for optimism.

First, while the final bill was slimmed down considerably, there is no evidence that PBM-reform legislation was a sticking point for negotiators. Our preferred policies were dumped from the bill along with thousands of other popular bipartisan priorities to pass a significantly smaller bill that would keep the government open through the holidays.

Second, the final CR funds the government for only 3 months – through mid-March. When the 119th Congress convenes in January, it will need to act quickly to fund the government through the rest of the fiscal year and there will be significant pressure to include the entire health care package in the next funding bill.

Beginning in January, the National Alliance and our allies will be focused on getting these transformative PBM accountability provisions included in the next government funding bill.

# Health Policy in Transit A Purchaser Viewpoint