

# CAPITOL STREET

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December 6, 2024

## Health Policy Look-Ahead: December 9-13

Biosecure/NDAA & Lame Duck Health Package, FDA on DTC Ads

### Next Week

**Budget & Defense Authorization Bill (CR/NDAA):** House GOP leadership plans to release legislative text of the CR (aka continuing resolution, keeping existing funding levels as a “patch” for a few months) and NDAA (defense authorization) as soon as this weekend or next week. Leadership also hopes the NDAA can be taken up on the floor next week.

**OUR TAKE:** With the Republican sweep, Congress will likely pass a skinny CR that extends funding into early next year with a one-year extension of telehealth benefits and some healthcare extenders like Medicaid DSH/Area wage & Hospital@Home. We believe that some policies may only extend the duration of the CR i.e., a few months, which then would require action in early 2025. Partial Medicare payment relief for physicians is also possible, but not looking likely at the moment. PBM reform may slip to Reconciliation, as lawmakers seek one additional year of sequestration and MIF (Medicare Improvement Funds) as a source of funds (see our analysis [here](#)). BIOSECURE could pass with the Defense Authorization with new compromise language (see our analysis [here](#)), but isn't a done deal. Issues that will not be addressed in all likelihood this year are: clinical workforce augmentation (GME slots), extensions of SUPPORT, PAHPA, as well as Rx (helpful to industry) drug reforms (IRA orphan designation fix) and addressing generic shortages. Medicare & Medicaid.

### Wednesday, December 11

**CMS New Technology Town Hall:** CMS hosts its annual town hall [meeting](#) to discuss New Technology Add-on Payment (NTAP) applications for new medical services and technologies used in the inpatient setting. This designation provides hospitals with extra payments for using the product for the two-to-three-year period after market entry. Most NTAP decisions aren't made until the final Inpatient Hospital rule in August of the following year. FY2026 NTAP applications include **Abbott, Boston Scientific, and Dexcom** (full list found [here](#)).

### Thursday, December 12 and Friday, December 13

**MedPAC Meeting:** The Medicare Payment Advisory Commission (MedPAC) will [meet](#) to discuss Medicare provider payment update recommendations and Medicare pre-tax margin projections. Final recommendations will be voted on at the MedPAC January meeting. However, the recommendations are non-binding and merely a guide for Congress and the Administration, though sometimes result in enacted policy.

**OUR TAKE:** Last year, MedPAC called for cuts to IRFs (-5%), SNFs (-3%), and Home Health (-7%) and in all likelihood will begin with those same recommendations. We note that CMS has not provided those pay proposals via rulemaking despite repeated attempts to cut specific providers, particularly post acute (save for Home Health).

### Friday, December 20

**Expiration of Continuing Resolution/Likely Action on NDAA:** Congress must act by Dec. 20 to continue funding the federal government and prevent a government shutdown. Congress must also pass the Defense Authorization Act by year-end.

**ICYMI: FDA Commissioner Rob Califf, MD, on DTC Drug Ads:** HHS Secretary nominee RFK Jr has called for getting rid of DTC pharma advertisement. We have said it's a first amendment issue and the commercial speech doctrine likely limits what the FDA can do on advertisement as confirmed by Dr Califf (outgoing FDA Commissioner) at the Senate HELP Cmte hearing on food & nutrition this week (link [here](#)). As a reminder, the FDA cannot pre-review the ads, only those on the market. We could see a new FDA commissioner potentially lead efforts to tighten current regulatory flexibility, but the standards for DTC ads remain consistent. Any restrictive guidance will likely be challenged by the industry in litigation.

## **ON THE HORIZON:**

- CMS New Technology Town Hall (**Dec. 11, 2024**)
- MedPAC meeting (**Dec. 12-13, 2024**)
- Expiration of CR/Likely Action on NDAA (vehicle for BIOSECURE) (**Dec. 20, 2024**)
- CMS Draft NCD on TTVR (Edwards Lifesciences) (**Dec. 20, 2024**)
- Christmas Day - Federal Holiday (**Dec. 25, 2024**)
- Expiration of certain healthcare extenders (**Dec. 31, 2024**)
- The Biosecurity Commission's report release on anti-China legislation (**Early 2025**)
- CMS Cell & Gene Therapy Model Launch (**Jan. 1, 2025**)
- MedPAC meeting (**Jan. 16-17, 2025**)
- Inauguration Day (**Jan. 20, 2025**)
- Medicare Advantage Rate Notice (**Late January/Early February 2025**)
- CMS unveils 2027 negotiated drug list (15 Part D drugs) (**Feb. 1, 2025**) **OUR TAKE ON Top 15 [here](#)**
- CMS pricing justification for initial negotiated drug list (15 Part D drugs) (**March 1, 2025**) **See our take [here](#)**
- President's Budget (**March 2025**)
- State of the Union (**March 2025**)
- MedPAC meeting (**March 6-7, 2025**)
- CMS Draft NCD on Home Ventilators for COPD (**March 11, 2025**)
- CMS Final NCD on TTVR (Edwards Lifesciences) (**March 20, 2025**)
- Medicare Advantage Final Rates (**Early April 2025**)
- CMS Draft NCD on T-TEER (Abbott) (**April 3, 2025**)
- MedPAC meeting (**April 10-11, 2025**)
- CMS Final NCD on Home Ventilators for COPD (**June 9, 2025**)
- CMS Final NCD on T-TEER (Abbott) (**July 2, 2025**)
- CMS MFP Effective for Selected Drugs (**Jan. 1, 2026**)

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