



**CALIFORNIA  
HOSPITAL  
ASSOCIATION**

*Providing Leadership in  
Health Policy and Advocacy*

July 26, 2019

TO: CHA Members  
FROM: Carmela Coyle, President & CEO  
SUBJECT: Weekly Advocacy Review

No Member Advocacy Call  
July 30, 2019

**FEDERAL**

**Federal Update (O'Rourke)**

The Senate Finance Committee on Thursday approved a [draft bipartisan bill](#) aimed at reducing the cost of drugs in Medicare and Medicaid programs. The measure would penalize drug manufacturers if they raise their prices higher than the rate of inflation and would take other steps to lower costs for the government and seniors on Medicare's prescription drug benefit, Part D. Earlier this week, House leadership announced they would unveil their long-awaited plan to reduce drug prices. Leadership from both chambers have indicated this will be a priority issue for Congress in the fall.

House Speaker Nancy Pelosi (D-CA) and Treasury Secretary Mnuchin reached a \$2.7 trillion federal budget agreement to lift spending limits for the next two years and extend the federal government's borrowing authority through July 2021. The agreement, passed by the House on Thursday and due for Senate consideration next week, could pave the way to avoiding another government shutdown before the 2020 elections. Of note for hospitals: the spending increases are partially offset by extending sequestration on domestic spending, including Medicare payments, for an additional two years, through 2029.

After voting on the budget agreement, the House adjourned for its August recess; the Senate will adjourn next week. Both chambers will be back in session Sept. 9.

For additional information, contact Anne O'Rourke at (202) 488-4494 or [aorourke@calhospital.org](mailto:aorourke@calhospital.org).

**Regulatory Update (Keefe)**

CHA anticipates the release of the Centers for Medicare & Medicaid Services' calendar year 2020 outpatient prospective payment system proposed rule this afternoon and will provide members with more information next week in *CHA News*. For additional information, contact Alyssa Keefe at (202) 488-4688 or [akeefe@calhospital.org](mailto:akeefe@calhospital.org).

**STATE**

**Legislative Update (Scott)**

The Legislature adjourned for summer recess July 12 after meeting its deadline for passing measures out of policy committees. Lawmakers will reconvene August 12 and will complete their work for the 2019 legislative session on September 13.

Information on priority health care-related bills is available at [www.calhospital.org/legislative-update](http://www.calhospital.org/legislative-update).