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The year 2019 drew to a close with significant health policy issues still unaddressed in Washington, DC—among them, legislation to address surprise medical bills, prescription drug pricing reform and the fate of the Affordable Care Act. Congress passed spending legislation that also kicked the can, which are now reset to expire on May 22, 2020.

We expect 2020 to be another active year for the healthcare industry. When Congress returns in January, congressional leaders likely will attempt to address issues they were previously unable to resolve. We expect that tensions will be high as stakeholders continue to clash over positions on high-stakes issues.

At the same time, the Trump administration has pursued an aggressive regulatory agenda that will continue to unfold throughout 2020. The administration has pursued policies, including changes to health care regulations, including improving transparency, that have the potential to transform the health industry. Stakeholders have pushed back on these sweeping reforms through advocacy and the courts. The coming year promises to bring additional regulatory disruption, with the administration finalizing and implementing previous proposals, and introducing new policies.

Finally, the Democratic presidential candidate field will continue to narrow, and refined health policy positions will emerge as both parties prepare for the general election in November.

We have narrowed a vast health policy landscape to our top 10 issues of significance for 2020, and offer our consultants' insights into what 2020 might have in store. As you prepare for the year ahead, the McDermott+Consulting team stands ready to assist you in navigating this complex legislative and regulatory environment.

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TOP 10 ISSUES



Surprise billing dominated the 2019 health policy conversation in Washington, DC. McDermottPlus predicts that lawmakers will return to that topic early in 2020. Stakeholders should expect an intensified debate on familiar issues, including whether and how to address provider-payer payment disputes for out-of-network services, and should brace for a legislative solution to be enacted.



The coming year will see sharpened policy focus on **data privacy and health information sharing**, with anticipated final rules governing interoperability and data blocking, as well as congressional inquiries into how healthcare entities use and share information. McDermottPlus predicts an active regulatory and congressional oversight environment for data privacy and protections, and continued scrutiny over health system information sharing practices. Senator Alexander (R-TN) may seek to pursue privacy policy issues as a cap for his Senate career.



The Trump administration will continue to pursue **Medicaid reforms** intended to reduce federal spending on the safety net program for the poor. McDermottPlus predicts that the administration will continue to look for ways to advance its Fiscal Accountability Regulation and work requirements, among other limits on states' ability to draw down federal matching funds.



Even with the administration and both chambers in Congress aligned on a large handful of **prescription drug pricing reforms**, there was little movement in 2019. McDermottPlus predicts that this issue will return in early 2020 as lawmakers and the president look for a policy "win" leading up to the general election. Look for potential policy movement on areas of Democratic and Republican agreement. In addition, the administration could move forward with their proposed International Price Index regulation particularly if they see it is beneficial on the campaign trail.



The Trump administration will move to finalize and implement regulations **requiring greater transparency** from health plans and hospitals. McDermottPlus predicts that the administration will move forward with these initiatives despite pending litigation and strenuous plan and provider objections.



The Trump administration will continue to push financial risk onto medical groups, health systems and providers, and payers through existing and new **Innovation Center models**. We expect ongoing stakeholder pushback on the administration's mandatory proposals.



The Trump administration will continue to pursue efforts to streamline conflict-of-interest and fraud-and-abuse regulations to facilitate the move to value-based care. McDermottPlus predicts that the administration will finalize the proposed **Stark and Anti-Kickback** changes, but that more sweeping reforms will be delayed.



Rural communities are losing access to healthcare services because of a rapid uptick in hospital closures. While the administration and key congressional committees have expressed concern and proposed response strategies, this has not yet become a high-priority issue. At the same time, the Trump administration has sought policies that shift risk onto rural providers. McDermottPlus predicts some legislative relief led by Senate Finance Committee Chairman Grassley (R-IA), but solutions likely will fall short of a comprehensive rescue. McDermottPlus also expects an Innovation Center model drawing from the Pennsylvania rural model.



The recent Texas v. United States ruling by the US Court of Appeals for the Fifth Circuit cast a cloud over the future of the **Affordable Care Act**. McDermottPlus does not expect the Supreme Court of the United States to resolve Texas v. United States before the 2020 presidential election, but the case will remain a potent political issue during the campaign.



Democratic presidential candidates will continue to push a variety of **insurance coverage reform and expansion** proposals, including Medicare for All, Medicaid expansion and public options. While expansion proposals could drastically affect healthcare markets, McDermottPlus predicts substantial airtime devoted to these proposals but no action in 2020. Stakeholders should carefully follow and strategize around the position of the Democratic presidential nominee as they plan for 2021.