



Policy Brief

January 3, 2020



Top Things to Watch in Health Care for 2020

From the Affordable Care Act to the [Medicare Access and CHIP Reauthorization Act](#), the last decade has been transformational for health care. As we shift into 2020, a myriad of health care topics will continue to capture lawmakers' attention. A few existing bills, left hanging at the end of 2019, will likely be picked back up in the new year. With a presidential election swiftly approaching and 14 Democratic candidates (each with their own health care proposal) vying for the nomination, health care's time in the spotlight is guaranteed to continue. Below are some of the top health care things to watch out for in 2020.

Demand will continue for reforms that make health care affordable.

While lawmakers and regulators were ultimately unable to tackle surprise medical bills in 2019, the issue shows no signs of being abandoned in the new year. Both sides of the aisle have made it clear that protecting patients from surprise bills and promoting price transparency are among their top health care goals. Corraling rising prescription drug prices will also be a priority—both the [House](#) and [Senate](#) have drafted possible methods for making prescriptions more affordable for patients.

State governments will have a growing involvement in crafting and implementing health policy.

2019 was the year of state flexibility, with the Centers for Medicare and Medicaid Services (CMS) approving 10 states' Medicaid [waiver requests](#). As the amount of health-related federal legislation stalled, state-level policy activity ramped up. Local regulatory reforms will continue in the new year, with more states experimenting with alternative coverage models, establishing [reinsurance programs](#) or considering expanding Medicaid. Some of the state-level changes, like the implementation of work requirements in Medicaid, have been fairly controversial. Debate will continue in 2020 on the best way for state governments to reform health policy.

Good health care strategy will center on the patient experience.

Health care prices are projected to grow in 2020, with patient expectations rising along with it. While clinical quality will always be critical, patients are also demanding a convenient, connected experience that is personalized to their individual preferences. In the new year, [researchers recommend](#) that providers “carefully segment their consumer populations [to] learn their preferences.”

Social Determinants of Health (SDOH) data will be integral to improving health outcomes.

The demand for software platforms that collect and analyze SDOH data will become more prevalent in 2020. Because factors related to the SDOH account for a much larger portion of patient outcomes than clinical care, the most successful health care organizations will leverage this data to reduce readmissions, manage patients’ individual costs and improve the quality of care provided.

Politics will have the potential to dramatically influence health care policy.

The result of the upcoming presidential election is perhaps the greatest unknown when forecasting what 2020 will mean for health care. Although President Trump’s originally-announced [health plan](#) was ultimately not released, his re-election would likely carry his goals forward to increase price transparency, reduce regulations and control costs. A moderate Democrat in the White House could bring with them redoubled efforts to shore up the ACA, while a more progressive president may favor a single-payer system. In addition, the [lawsuit](#) on the ACA’s constitutionality, which the current Administration [refuses to defend](#), is still unresolved.



FDA Releases Canadian Drug Importation Plan in Hopes of Lowering Cost

Though the fall legislative session ended without any resolution in the [Congressional effort](#) to lower drug prices, the Food and Drug Administration (FDA) pushed forward on President Trump’s drug agenda with a [proposed rule](#) that allows states to administer [drug importation programs](#) with Canada. Introducing more competition to the pharmaceutical marketplace could reduce consumer costs, but some remain skeptical about how beneficial this rule will be. Learn more below about what the rule proposes and how some states are already responding, and dive in deeper with a [rule summary](#).

What's the plan?

Congress has tried twice before to allow for foreign drug importation, but the Department of Health and Human Services has never made the appropriate determinations for approval. This new proposed rule federalizes the process, allowing states or other non-federal entities to serve as sponsors of drug importation programs through [two pathways](#). The rule outlines a short supply chain between Canadian manufacturers and sellers and American importers and distributors. For initial and continued approval, these programs will have to demonstrably lower drug costs to consumers and pose no additional risk to health and safety.

How are states and others reacting?

[Florida](#), [Colorado](#), [New York](#), [Maine](#) and [Vermont](#) are among the states eager to participate in this proposed program, as evidenced by early starts on importation plans. Calling it a win for consumers, red and blue states alike are hopeful that this expansion of the prescription drug marketplace—and therefore price competition—can help lower the cost of drugs like insulin. Trade associations, however, are fearful that importation could lead to [lower drug quality and diversion](#).

What is the likely impact?

Health and Human Services (HHS) Secretary Alex Azar has called this rule a [milestone](#), but not a cure-all, for soaring drug prices. Additionally, success depends on [Canadian participation](#)—a prospect undermined by Canada's own domestic drug shortages. The proposed rule also sets a high standard for program integrity, and if fully enforced, could be difficult for some states to carry out.



Trump Administration Makes History with Spending Package

When Congress convened during the fall, health care reforms were top agenda items for both houses, often crossing contentious party lines. As the session concluded, however, anticipated issues like drug pricing reform and surprise billing legislation were left unresolved amidst a flurry of impeachment activity. Nonetheless, the \$1.4 trillion [year-end spending bill](#) included some unexpected major wins in response to the public health crises of vaping and gun violence. [READ more](#) on how the bill addresses these two key areas and its promising implications for the health of Americans.

The legal age for purchasing tobacco is now 21.

According to the latest Youth Tobacco Survey, more than 5 million children report using e-cigarettes—an increase of over 1.5 million since 2018. This resurgence of tobacco use is a major public health concern, as nearly 80% of all smoking adults report having begun the habit in their teens. In an effort to reverse this trend, the Trump Administration has raised the legal age for tobacco purchases (including e-cigarettes and associated products) to 21. Although new federal laws often come with a phase-in period, a [new statement](#) on the Food and Drug Administration website indicates that the change is effective immediately.

The CDC will be able to research gun violence.

Gun violence is currently the third leading cause of [injury-related death](#) in the United States. However, since the passage of the [Dickey Amendment](#) in 1996, the Centers for Disease Control and Prevention (CDC) has been unable to use any funding for research that could “advocate or promote gun control.” For the first time in more than two decades, a \$25 million allocation will allow a federal agency to produce research that could inform future legislation on measures to reduce firearm deaths.



A Look at the Federal Register

Importation of Prescription Drugs from Canada

The FDA released a proposed rule ([84 FR 70796](#)) to establish state-based drug importation programs to help lower the cost of drugs to American consumers without posing additional risks to public health and safety. The rule includes detailed supply chain and compliance requirements.

ACA Exchange Program Integrity

HHS released a final rule ([84 FR 71674](#)) that will require exchange participants to send beneficiaries a separate bill for the portion of their premiums that goes toward abortion coverage.

Solicitation of New Safe Harbors and Special Fraud Alerts

The Office of the Inspector General, HHS, proposed a rule ([84 FR 72289](#)) that seeks comments and suggestions for new safe harbors and Special Fraud Alerts in light of the recent requests for information and notices of proposed rulemaking regarding the Stark and Anti-Kickback statutes.

IN OTHER NEWS

[CMS Seeks Feedback on Scope of Practice Regulations](#) - CMS

[Drugmakers from Pfizer to GSK to hike U.S. prices on over 200 drugs](#) – Reuters

[Coping with Loss of Hospital, Rural Town Realizes: We Don't Need a Hospital](#) – KHN

[Exchange Insurers Must Send Separate Bill for Abortion Coverage, CMS Says](#) – Modern Healthcare

[Three Congressional Races to Watch in 2020](#) – STAT

[For Her Head Cold, Insurer Coughed Up \\$25,865](#) – NPR

[Biomedical Innovation: CMS's Next Frontier for Value Transformation](#) – Health Affairs

[Eliminating Waste in US Health Care](#) – Donald Berwick, JAMA