

What Matters Now in Washington:

- * Congress missed a critical deadline to extend the Children's Health Insurance Program, creating uncertainty for states and families about the future of a program that covers nearly 9 million children. More...
- * A bipartisan plan to stabilize health insurance markets has emerged after the White House announced it would end cost sharing reduction payments. More...
- * Frustrated with congressional inaction on health reform, President Trump signed an executive order directing federal agencies to rewrite federal regulations to allow low-cost health insurance to proliferate. More...
- * NIH has quietly chosen not to renew an Obama-era funding stream encouraging research on the public health effects of gun violence. More...
- * A new set of immigration demands from the President may undermine a bipartisan deal on DACA. More...
- * The Trump Administration looks poised to delay changes to the Common Rule guiding protections for human subjects in medical research. More...
- * NIH launched a partnership with pharmaceutical companies to hasten progress on the development of life-saving cancer treatments. More...

MISSING SEPTEMBER 30 DEADLINE, CONGRESS STALLS ON CHIP FUNDING RENEWAL. Funding for the Children's Health Insurance Program (CHIP) expired on September 30<<https://www.cbsnews.com/news/chip-childrens-health-insurance-program-congress-funding/>>, and the path forward for renewing federal funding remains unclear. The Senate Finance Committee and the House Energy and Commerce Committee both passed CHIP funding bills on October 4. Both bills extend funding for the Pediatric Quality Measures Program through 2022 for a total of \$75 million over that period. However, only the Senate Finance Committee's bill<<https://www.finance.senate.gov/chairemans-news/hatch-wyden-applaud-committee-passage-of-chip-bill>> enjoyed bipartisan support. The Republican-backed House bill triggered objections from Democrats<<https://apnews.com/1247dd5b75654970bfd8833ced5c618a/Parties-fight-over-funding-childrens-health-insurance>> over how to pay for CHIP; the bill includes provisions<<https://www.cbpp.org/research/health/assessing-the-new-house-republican-chip-bill>> requiring older Americans with higher incomes to pay more in Medicare premiums and changing the way Medicaid pays for prenatal and well-child care when the patient also has other insurance coverage, among others. These disagreements are likely to slow progress<<https://www.nytimes.com/2017/10/04/us/politics/children-health-insurance-program-congress.html>> on reaching a deal that can pass both chambers of Congress. While members of Congress on both sides of the aisle expect a CHIP deal to be reached, time is of the essence<<http://www.latimes.com/business/hiltzik/la-fi-hiltzik-chip-funding-20170929-story.html>> for states, with roughly ten expected to exhaust their federal CHIP allotments<<https://ccf.georgetown.edu/2017/09/28/states-say-they-will-run-out-of-chip-funds-faster-than-projected-will-congress-act-in-time/>> by the end of the calendar year. Already, Minnesota<<https://assets.documentcloud.org/documents/4063534/Piper-Letter-to-Mn-Delegation-Re-Chip-091317.pdf>> has had to take extraordinary measures to avoid leaving families without health coverage, and New York State<<https://www.governor.ny.gov/sites/governor.ny.gov/files/atoms/files/DOHLettertoActingSecretaryWright.pdf>> has let the federal government know that it will have to discontinue its CHIP program if a funding extension is not reached soon.

Bipartisan Health Care Plan Gains Steam After White House Announces End to Cost Sharing Reduction Payments. Senators Lamar Alexander (R-Tenn.) and Patty Murray (D-Wash.) recently reached a bipartisan agreement<<http://www.politico.com/story/2017/10/17/alexander-and-murray-say-theyve-struck-bipartisan-obamacare-deal-243872>> on a health care plan to provide stability to insurance markets in the short-term. Under the proposal<<http://healthaffairs.org/blog/2017/10/17/the-alexander-murray-market-stabilization-package-whats-in-it-and-wheres-it-going/>>, Congress would provide funding through 2019 for cost sharing reduction (CSR) payments to insurers, while providing states with additional waiver flexibilities and allowing anyone to enroll in lower-cost catastrophic health plans. Upon introduction, the proposal had 12 Republican cosponsors<<https://www.cbsnews.com/news/alexander-and-murray-announce-co-sponsors-of-bipartisan-obamacare-fix/>>, a sign that it would be able to clear the chamber's 60-vote threshold if all Democrats vote in favor of the legislation. The agreement comes after President Trump's unexpected announcement<https://www.washingtonpost.com/national/health-science/trump-to-sign-executive-order-to-gut-aca-insurance-rules-and-undermine-marketplaces/2017/10/11/40abf774-ae97-11e7-9e58-e6288544af98_story.html?utm_term=.d3dc197b2f63> that his administration would no longer pay out monthly cost sharing reduction (CSR) payments to health insurers, a move widely expected to roil individual markets<<http://healthaffairs.org/blog/2017/10/13/administrations-ending-of-cost-sharing-reduction-payments-likely-to-roil-individual-markets/>>. Insurance experts have made clear<<https://www.cnbc.com/2017/08/10/the-price-of-uncertainty-could-mean-new-double-digit-health-insurance-rate-hikes.html>> that 2018 rate hikes were largely driven by uncertainty about CSR payments, and the absence of these payments in the long term is likely to drive premiums higher and force insurers out of the market. President Trump has offered varying positions in recent days on the potential bipartisan deal, claiming both that he is supportive of a short-term fix<<https://www.axios.com/trump-calls-alexander-murray-deal-a-good-short-term-solution-2497648866.html>> to provide CSR payments while also deriding any such deal as a "bailout" for insurers<<https://www.usatoday.com/story/news/politics/2017/10/18/trump-reverses-course-rejects-alexander-murray-deal-health-care-subsidies/775389001/>>. Trump's support is expected to be crucial to advancing the proposal in a Republican-controlled Congress.

President Signs Executive Order Directing Deregulation of Health Insurance. President Trump recently signed<<http://www.latimes.com/politics/la-na-pol-trump-obamacare-order-20171012-story.html>> an executive order instructing federal agencies to consider ways for more people to buy health coverage that is exempt from the Affordable Care Act's insurance market regulations. The order seeks to expand access<<http://www.cnn.com/2017/10/12/politics/trump-obamacare-executive-order/index.html>> to association health plans (AHPs) offered by trade groups and short-term insurance policies that are largely able to skirt state and federal insurance regulations by reinterpreting federal law. Allowing the proliferation of health plans that do not provide ACA-mandated essential health benefits and consumer protections would drive down insurance premiums for some individuals. However, it is likely to destabilize individual health insurance markets<<https://www.cbpp.org/blog/trump-order-could-destabilize-health-insurance-markets-hurt-those-with-pre-existing-conditions>>, as healthy individuals enroll in cheaper health plans that are less comprehensive than ACA-compliant plans. In the long term, this has the potential to undermine protections for individuals with preexisting conditions and lead to the rise of lower quality health coverage. The effects of Trump's executive orders are not likely to result in quick change<<http://www.politico.com/story/2017/10/12/trump-obamacare-executive-congress-243696>>, as his directives must move through the lengthy federal rulemaking process and are also highly likely to face legal challenges.

NIH SHIFTS COURSE ON GUN RESEARCH. The National Institutes of Health (NIH) has quietly let lapse <http://www.sciencemag.org/news/2017/09/nih-quietly-shelves-gun-research-program> a funding program encouraging research into gun violence and how to prevent it. The program, which came at President Obama's behest in the wake of the Sandy Hook shooting in 2012, has funded 22 projects for a total of \$18 million. While researchers can still submit proposals for firearm research outside the program, proponents of the gun violence research initiative argue that thematic funding initiatives signal NIH priorities to researchers and can encourage young researchers to build careers in areas they may otherwise not have. In an October letter to NIH Director Francis Collins, nearly two dozen Democratic senators urged the renewal of the funding opportunity https://www.warren.senate.gov/files/documents/2017_10_11_NIH_Letter_Gun_Violence_Research.pdf?utm_source=STAT+Newsletters&utm_campaign=a2ebd08ea8-MR&utm_medium=email&utm_term=0_8cab1d7961-a2ebd08ea8-149599749 for firearm research, calling it "critical to our nation's efforts to combat gun violence."

TRUMP DEMANDS ON DACA DEAL MAKE BIPARTISAN AGREEMENT TO HELP DREAMERS MORE DIFFICULT. Despite a widely reported agreement <https://www.nytimes.com/2017/09/13/us/politics/trump-dinner-schumer-pelosi-daca-obamacare.html> between President Trump and congressional Democratic leadership to enshrine protections for Deferred Action for Childhood Arrivals (DACA) recipients into law, the President has since backtracked on what he is willing to accept in a legislative fix to the Obama-era program for undocumented individuals brought to the U.S. as children. Initial reporting indicated that Trump would be willing to accept a deal on DACA that extended protections for these individuals in exchange for enhanced border security funding. Crucially, Trump reportedly agreed that the deal would not include funding for his much-desired border wall, a campaign promise anathema to congressional Democrats. However, a list of demands released by the Trump White House in October listed both the border wall and other hardline policies, including a crackdown on so-called "sanctuary cities," as must-haves in any congressional deal. The demands are likely to be opposed by Democrats and potentially divide the Republican caucus, imperiling any potential deal. <http://abcnews.go.com/Politics/wireStory/trump-hard-line-immigration-policies-price-daca-50363642>

WHITE HOUSE LOOKS LIKELY TO DELAY IMPLEMENTATION OF UPDATED COMMON RULE. The Trump Administration is reviewing a proposed rule to delay the implementation date of the updated Common Rule <https://www.bna.com/hhs-research-oversight-n73014470727/> by one year. The update to the Common Rule, which outlines the protections for humans in medical studies and was finalized on the last day of the Obama Administration, was scheduled to go into effect in January. Part of a broader effort by the Trump Administration to reduce regulatory burden, the delay is likely to be welcomed by some in the research community, who were concerned with implementing the rule on the shorter timeline.

NIH LAUNCHES PUBLIC-PRIVATE PARTNERSHIP AS PART OF CANCER MOONSHOT. The National Institutes of Health (NIH) recently launched a public-private partnership <https://www.nih.gov/news-events/news-releases/nih-partners-11-leading-biopharmaceutical-companies-accelerate-development-new-cancer-immunotherapy-strategies-more-patients> in support of the Cancer Moonshot goal of bringing immunotherapy success to more patients. The partnership with 11 biopharmaceutical companies will focus on identifying and validating biomarkers to better understand how immunotherapies work in some patients and how patients might respond to treatment. Jointly funded at a total of \$215 million, the effort will focus on data sharing and coordination to speed up the process of bringing effective immunotherapies to bear on cancer cases.

