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### PPC CAPITOL CONNECTION

December 13, 2017

#### What Matters Now in Washington:

- The Children's Health Insurance Program has been expired for over two months, forcing states to make difficult choices about whether they can continue running their programs. [More...](#)
- Tax reform is heading to a conference committee, after both the House and Senate passed their own sweeping overhauls of the U.S. tax code. [More...](#)
- With the end of the year approaching, Congressional leaders are working to strike a bipartisan budget deal and avoid a government shutdown, and NIH funding hangs in the balance. [More...](#)
- The Supreme Court allowed President Trump's revised travel ban to go into effect while lower courts decide whether the ban is lawful. [More...](#)
- NIH is expected to reveal policy recommendations on the inclusion of children in NIH-funded research this Thursday. [More...](#)
- Members of the Pediatric Policy Council authored a policy commentary in *Pediatric Research* on the potential for public-private partnerships in studying biomarkers for neonatal therapeutics. [More...](#)

**DESPITE PROMISES FROM CONGRESSIONAL LEADERS, CHIP FUNDING REMAINS EXPIRED.** More than two months after federal funding for the Children's Health Insurance Program (CHIP) expired, [Congress has yet to pass a bill extending the program](#). Despite continued insistence from members of Congress on both sides of the aisle that CHIP is a must-pass priority, the program has taken a backseat as congressional Republicans work to pass a tax reform bill and a year-end government funding cliff rapidly approaches. What's more, interparty deliberations on how to pay for a five-year extension of the program continue to stymie progress on a CHIP bill, with Democrats continuing to oppose pay-for-provisions included in the House-passed CHIP bill that would undermine patient access to health care and slash the ACA's Prevention and Public Health Fund. [Many observers had hoped Congress would include an extension of CHIP funding in a short-term government spending bill](#) that passed on December 7. However, while Congress did include a stopgap provision in that bill allowing the federal government to more easily redistribute leftover CHIP funds to states running out of money, it did not include a long-term CHIP agreement.

**—As Federal Dollars Begin to Run Dry, States Prepare for the Worst.** [Federal uncertainty about CHIP funding has forced states to plan for the worst](#). Colorado became the first state to send out notices that CHIP coverage may soon end, [rattling families like that of four-year-old Ari Richter, a Type 1 diabetic whose parents depend on CHIP](#) to afford his lifesaving diabetes supplies. The Colorado [notice warns that coverage will end](#) on January 31 if Congress fails to extend CHIP funding and urges families to begin researching private health insurance options. [States like Virginia are taking a wait-and-see approach, hoping that Congress will pass a funding extension soon](#) so they can avoid frightening families. In Texas, the state [may have to send CHIP cancellation notices](#) to the families of over 400,000 children three days before Christmas if Congress does not act. Without a doubt, states are operating in uncharted territory. In the program's 20-year history, Congress has never before allowed funding for CHIP to expire, and the current environment has left states to write their own playbooks on how to proceed. While many are cautiously optimistic that Congress will come through, time is running out before some states will have to begin shutting down their CHIP programs.

**GOP TAX PLAN HEADS TO CONFERENCE COMMITTEE.** Earlier this month, [Senate Republicans passed their tax reform bill](#) on a near party line vote of 51 to 49, with Sen. Bob Corker (R-Tenn.) joining a unified Democratic caucus to oppose the bill over concerns about the legislation's impact on the deficit. [The GOP tax reform plan will now head to a conference committee](#), where members of the House and the Senate will iron out the differences between the Senate's plan and the House-passed tax reform bill. While [many provisions must still be negotiated between the House and](#)

[Senate](#), both tax frameworks contain several provisions of great concern to the health and well-being of children and families, as well as to the physician and biomedical research workforce. The Senate tax bill includes a repeal of the individual mandate, which is forecasted to [increase the ranks of the uninsured by 13 million over a decade and increase premiums by 10 percent per year](#); [House leadership has telegraphed increased receptiveness](#) to doing away with the mandate in the final bill. Also likely to be included in a final negotiated package are provisions that would disallow the parents of immigrant children from claiming the Child Tax Credit (CTC) while [excluding the poorest families from benefitting from a planned increase to the CTC](#). Congressional Republicans are also aiming to eliminate the tax deduction for student loan interest, a move that is likely to hit physicians with high medical school debt. Additionally, the House-passed tax bill [would count as taxable income](#) the tuition waivers received by many graduate students to pursue advanced degrees, a move that may saddle graduate students with thousands of dollars per year in taxes. Concerns about tax reform extend beyond provisions of the tax code. The nonpartisan Joint Committee on Taxation anticipates that proposed tax reform plans would increase the deficit by \$1 trillion, even after accounting for economic growth, which will drive up deficits and put pressure on future Congresses to make dramatic cuts to Medicaid and non-defense discretionary programs. Furthermore, under current PAYGO requirements, any legislation that decreases revenues must be offset by cuts to mandatory spending, unless Congress waives that requirement. This means that, barring congressional action, the tax bill could trigger massive cuts to programs like Medicare.

**CONGRESSIONAL LEADERS RUSH TO AVERT SHUTDOWN AS GOVERNMENT FUNDING CLIFF APPROACHES.** [Congress passed a short-term government spending bill on Thursday](#) that will keep the government open through Dec. 22, avoiding an imminent government shutdown but setting up yet another dramatic year-end spending fight. Congressional appropriators have been in the process of negotiating full-year spending bills for Fiscal Year (FY) 2018, which began on Oct. 1, since this summer. However, appropriators have been waiting to finalize their spending bills until a bipartisan budget deal is reached, in anticipation of having additional flexibility to increase spending for the year.

—**Bipartisan Budget Deal Negotiations Continue.** [Congressional leaders from both parties are working to reach an agreement on a bipartisan budget deal](#) raising the budget caps put in place by the Budget Control Act of 2011. This will allow Congress to exceed the budget caps in their spending bills without triggering across-the-board cuts known as the “sequester.” Such a deal may allow Congress to increase NIH funding for the remainder of FY 2018. Many expect the deal to be reached before Dec. 22, at which point another short-term funding bill would be passed to give appropriators needed time to hammer out spending details under the new deal.

—**Fate of DACA Wrapped Up in Government Funding Talks.** Also wrapped up in the year-end spending negotiations is the fate of Dreamers—undocumented individuals brought to the United States as children who qualified for the Obama-era Deferred Action for Childhood Arrivals (DACA). President Trump announced that DACA protections will expire in March, leaving nearly one million DACA recipients at risk of deportation. Democrats are pushing to enshrine protections for these individuals into law before the end of the year, and [they may seek to do so by holding up a year-end government funding deal](#). Many conservatives are loathe to include a DACA deal in government funding talks, and it remains to be seen whether Democrats will be able to extract such a concession from Republicans.

**SUPREME COURT ALLOWS FULL TRAVEL BAN TO TAKE EFFECT.** [The U.S. Supreme Court has allowed the President’s revised travel ban to take full effect](#) while adjudication continues. In unsigned orders earlier this month, the Court granted the Government’s request for a stay of two preliminary district court injunctions against the President’s updated travel ban and urged appeals courts to move swiftly in deciding whether or not the ban is lawful. The orders represent a victory for the Trump Administration, which has suffered repeated blows from the courts as it attempts to make good on a longstanding campaign promise.

**ADVISORY COMMITTEE TO NIH DIRECTOR CONSIDERS POLICY RECOMMENDATIONS ON INCLUSION OF CHILDREN IN NIH-FUNDED RESEARCH.** On Thursday, Dec. 14, NIH Director Francis Collins, MD, is expected to make an announcement on the inclusion of children in NIH-funded research during a meeting of the Advisory Committee to the Director. [The announcement will be made at 3:15 PM](#), during an update on implementation of the 21<sup>st</sup> Century Cures Act.

**PPC POLICY COMMENTARY.** Members of the PPC have authored commentaries detailing the policy implications of research published in *Pediatric Research*. You can read these PPC-authored commentaries online:

- [Biomarkers for neonatal therapeutic studies: time for a public–private partnership](#) by Scott Denne, MD, Jonathan Davis, MD