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Capital Snapshot: A Monthly Overview of the Issues, Events, Timelines, and Polling Data Driving Federal Policy Decisions

July 2023

This Month's Capital Snapshot Deck Includes

- An overview of the upcoming congressional schedule, including key dates in June
- An outlook on the current Congress and the state of play for the 2024 elections
- An update on developments, outlook, and priorities for key policy and legislative areas
- A look at current trends and factors that could impact the 2023 political and legislative landscape

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Congressional Schedule for July 2023



2023 House Calendar

- There are 12 legislative days scheduled in the House for July.
- The House will be on recess during the week of July 3, which is the second week of a two-week 4th of July recess.
- There are 48 legislative days left in the House in 2023.



2023 Senate Calendar

- There are 13 legislative days scheduled in the Senate for July.
- The Senate will be on recess during the week of July 3, which is the second week of a two-week 4th of July recess.
- There are 74 legislative days left in the Senate in 2023.

DICK DURBIN
Majority Whip

JOHN THUNE
Republican Whip

UNITED STATES SENATE
118th Congress, 1st Session
2023

TENTATIVE SCHEDULE

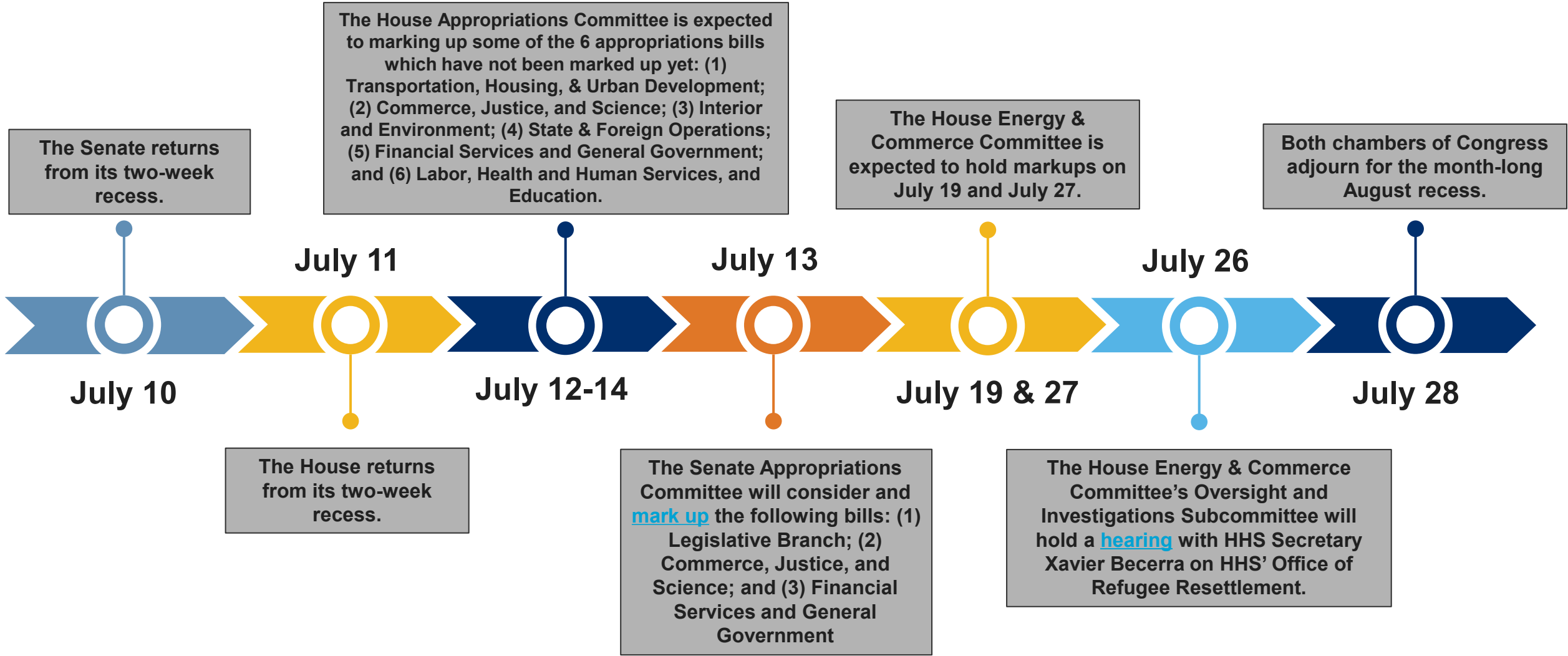
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29	30	31	26	27	28	29	30	24	25	26	27	28	29	30						
													31							

Red dates = Senate not in session

1ST SESSION CONVENES—JANUARY 3, 2023
TARGET ADJOURNMENT—DECEMBER 15, 2023

GPO: 2022-49-898 (rev)

Congressional Schedule – July 2023



Upcoming Congressional Priorities



Senate Majority Leader Chuck Schumer (D-NY)

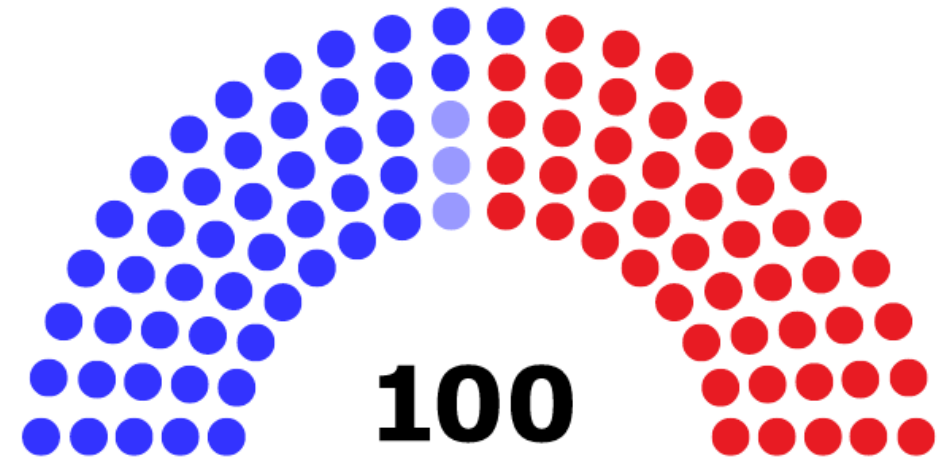
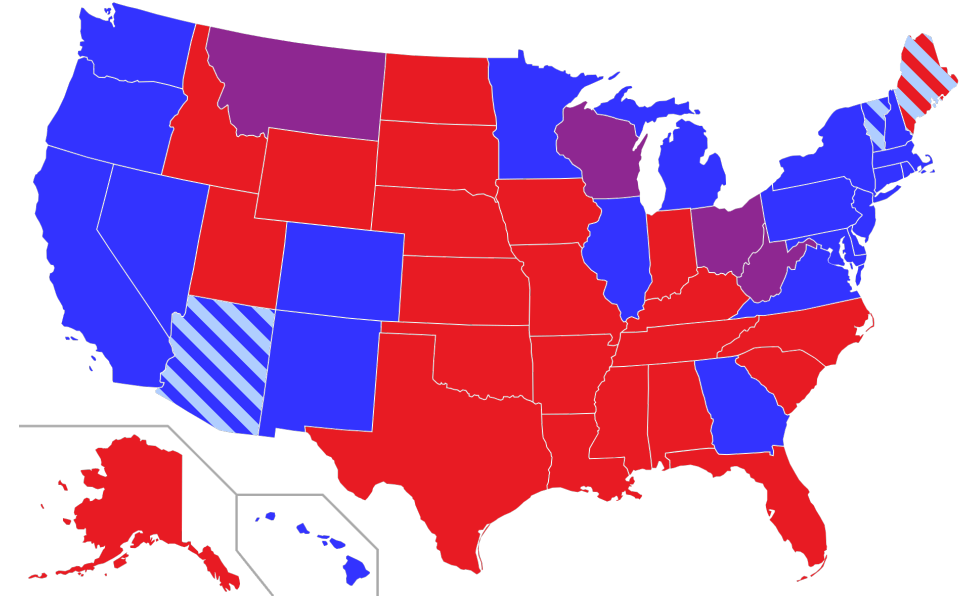
- **Late in June, Senate Majority Leader Chuck Schumer (D-NY) signaled he expects a busier work period in July, outlining a number of priorities including the annual appropriations process, NDAA, and a possible drug pricing package.**
 - Leader Schumer listed a host of other priorities he would like to address before the end of the year, including China competitiveness issues, marijuana banking legislation, and Federal Aviation Administration (FAA) reauthorization.
 - Some of Leader Schumer’s Democratic colleagues are unsure whether the Senate can address all of these issues by the end of 2023. Sen. Jon Tester (D-MT) [said](#) if the Senate can pass the NDAA, a Farm bill reauthorization, and complete the annual appropriations process by the end of the year, that’s “not a bad day’s work.”

State of Play of the 2024 Elections



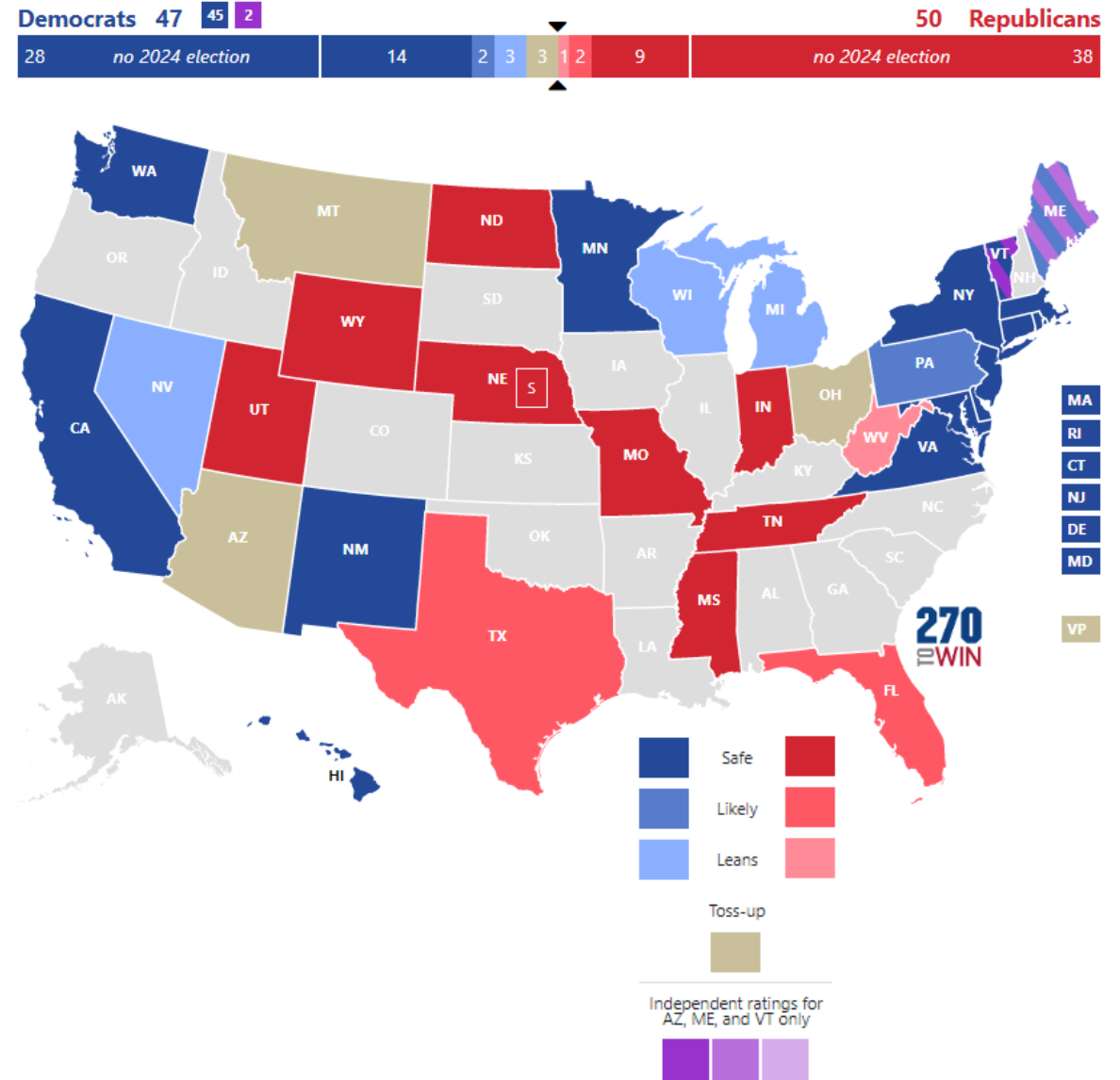
Current Senate – 118th Congress

- Democrats have a 51-49 majority; their majority includes three independent Senators who caucus with the Democrats.
 - Every incumbent Senator who ran for re-election in the 2022 midterms won their race – this is the first time this has occurred in decades.
- Vice President Kamala Harris, who also serves as the Senate President, can cast a tie-breaking vote if the final vote on any legislation or nominee is tied at 50-50.
 - To date, since assuming the office of Vice President, VP Harris has cast 30 tie-breaking votes in the Senate.
 - This is the second-highest amount of tie-breaking votes a Vice President has cast, just 1 behind John C. Calhoun, who cast 31 tie-breaking votes when he was Vice President from 1825 to 1832.
- Senator Patty Murray (D-WA) is the President Pro Tempore of the Senate. She is the first female President Pro Tem in history.



Senate 2024 Outlook

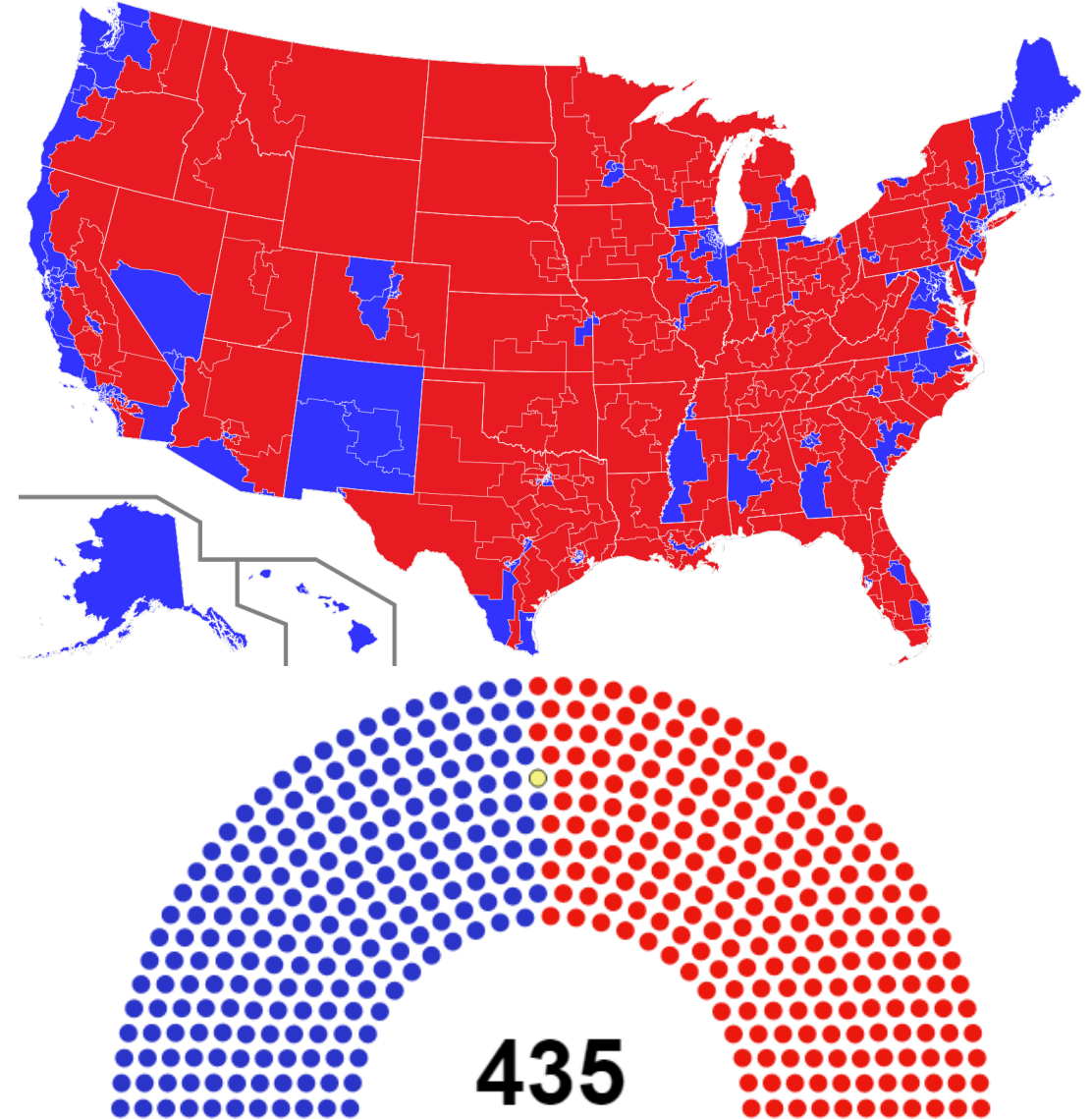
- Democrats have a narrow majority and a difficult Senate map for 2024.
- Three Democratic incumbents are from states which former President Trump won in both 2016 and 2020 (Montana, Ohio, and West Virginia).
- Democrats will also be defending seats in other competitive states such as Arizona, Nevada, Michigan, Pennsylvania, and Wisconsin.
- Republicans hold 38 seats that are not up for election in 2024; nine seats are “Safe R,” two seats are “Likely R,” and one seat “Leans R.”
 - If Republicans win the presidency in 2024, then 50 seats will be enough for a majority.
 - If Democrats retain the presidency in 2024, then Republicans will need 51 seats for a majority.
- While the contest for control of the Senate will be very competitive, due to an advantageous map, Republicans are slightly favored to win back the chamber in 2024.



Sources: UVA Center for Politics, Sabato’s Crystal Ball; 270 To Win

Current House – 118th Congress

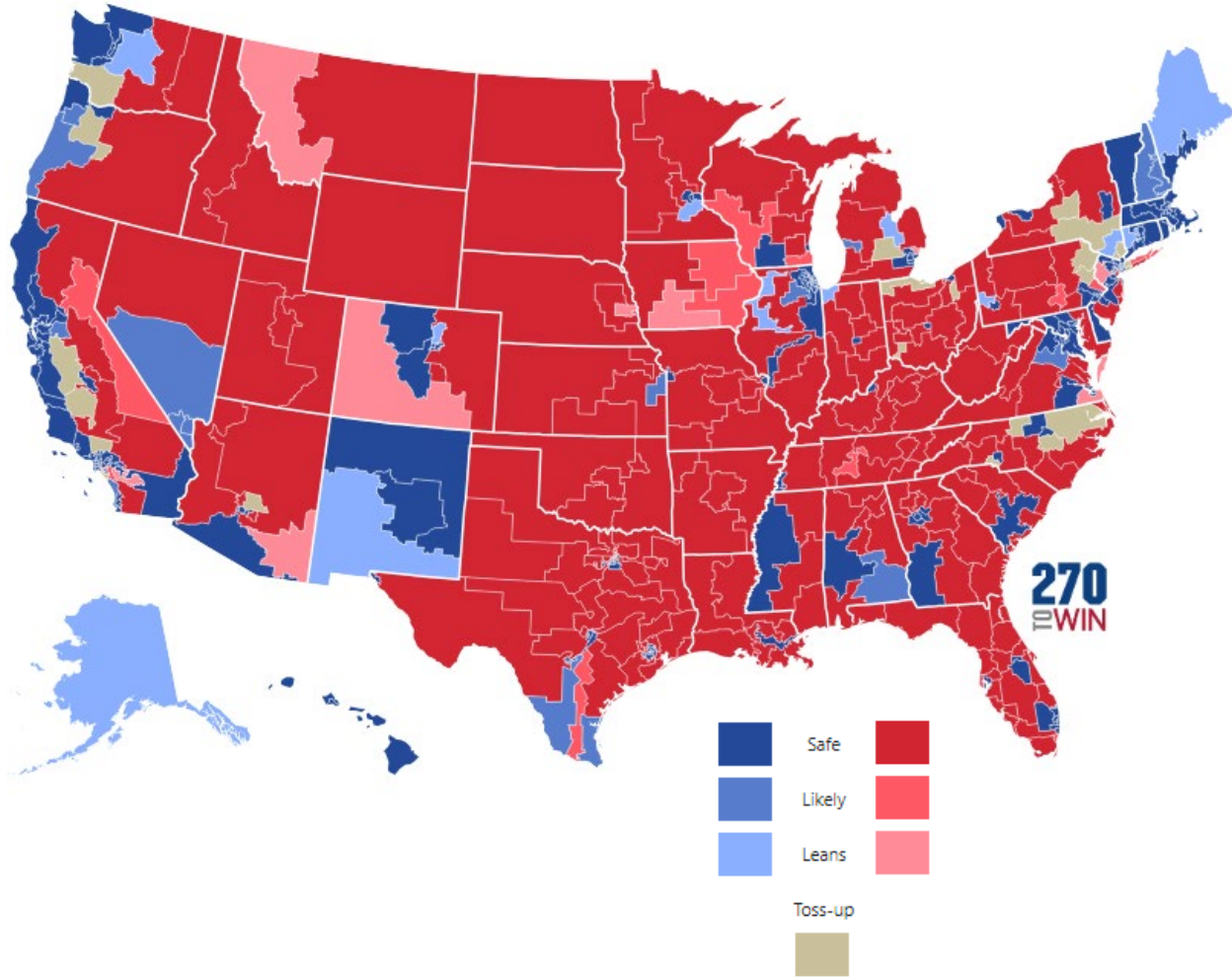
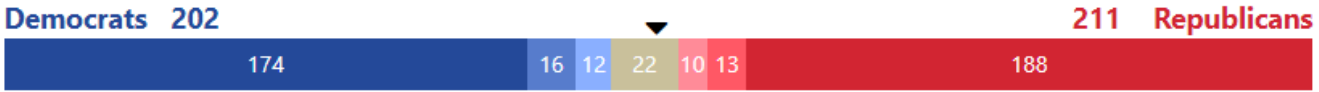
- Republicans hold a five-seat majority (222-212) in the House.
- The 2022 Republican midterm victory is an exact mirror image of the Democrats' 222-213 victory in the 2020 election.
- On June 1, Congressman David Cicilline (D-RI) [resigned](#) from Congress to become the President and CEO of the Rhode Island Foundation. He first [announced](#) his resignation in February.
 - A special election to elect Rep. Cicilline's replacement will take place on November 7, 2023.
- On May 31, Congressman Chris Stewart (R-UT) [announced](#) he intends to resign from Congress to focus on taking care of his wife, who has serious health issues. He will formally resign from Congress on September 15, 2023.



Source: Parliament Diagram Tool

House 2024 Outlook

- Republicans currently have a small majority of 222-212. 218 is needed for a majority.
- Although it is early, for the 2024 elections, 188 seats are currently projected as “Safe R,” while 211 seats are rated as Safe, Likely, or Leans R.
- On the other hand, for 2024, 174 seats are rated as “Safe D,” while 202 seats are rated as Safe, Likely, or Leans D.



Sources: UVA Center for Politics, Sabato’s Crystal Ball; 270 To Win

House 2024 Outlook – Recent Court Rulings that Could Impact Redistricting

- On June 8, the Supreme Court [ruled](#) (5-4 vote) in *Allen v. Milligan* that Alabama's redistricting plan violates Section 2 of the Voting Rights Act of 1965.
 - Alabama will now have to draw a new map for 2024, and will likely have to draw a second majority-minority seat. Democrats could potentially pick up a second seat in Alabama as a result.
- On June 26, the Supreme Court issued an [order](#) in which they lifted a nearly yearlong hold on a Louisiana congressional redistricting case (*Robinson v. Ardoin*).
 - The Supreme Court's order increases the chances that the state will soon be required to create a second majority-minority district.
- On June 27, the Supreme Court [ruled](#) (6-3 vote) in *Moore v. Harper* that the Federal Elections Clause does not vest exclusive and independent authority in state legislatures to set the rules regarding federal elections.
 - This essentially invalidated the “independent state legislature theory,” and clarified that state courts have the power to review election laws and maps enacted by state legislatures.



House 2024 Outlook (Toss-up, Leans, and Likely Seats)

Democrats		
TOSS-UP (12)	LEANS DEMOCRATIC (12)	LIKELY DEMOCRATIC (16)
CA-47 Open (Porter)	Mary Peltola (AK-AL)	AL-? New*
MI-7 Open (Slotkin)	Yadira Caraveo (CO-8)	Josh Harder (CA-9)
Don Davis (NC-1)	Jahana Hayes (CT-5)	Mike Levin (CA-49)
Jeff Jackson (NC-14)	Frank Mrvan (IN-1)	Lauren Underwood (IL-14)
Kathy Manning (NC-6)	Eric Sorensen (IL-17)	Sharice Davids (KS-3)
Wiley Nickel (NC-13)	Jared Golden (ME-2)	Hillary Scholten (MI-3)
Marcy Kaptur (OH-9)	Dan Kildee (MI-8)	Annie Kuster (NH-2)
Greg Landsman (OH-1)	Angie Craig (MN-2)	Chris Pappas (NH-1)
Emilia Sykes (OH-13)	Gabe Vasquez (NM-2)	Susie Lee (NV-3)
Matt Cartwright (PA-8)	Pat Ryan (NY-18)	Steven Horsford (NV-4)
Susan Wild (PA-7)	Chris Deluzio (PA-17)	Dina Titus (NV-1)
M. Gluesenkamp Perez (WA-3)	Kim Schrier (WA-8)	Val Hoyle (OR-4)
		Andrea Salinas (OR-6)
		Henry Cuellar (TX-28)
		Vicente Gonzalez (TX-34)
		Abigail Spanberger (VA-7)

Total seats rated Safe Democratic: 174

Total seats rated Safe, Likely, or Leans D: 202

Republicans		
TOSS-UP (10)	LEANS REPUBLICAN (10)	LIKELY REPUBLICAN (13)
David Schweikert (AZ-1)	Juan Ciscomani (AZ-6)	Kevin Kiley (CA-3)
John Duarte (CA-13)	Ken Calvert (CA-41)	Young Kim (CA-40)
Mike Garcia (CA-27)	Michelle Steel (CA-45)	Anna Paulina Luna (FL-13)
David Valadao (CA-22)	Lauren Boebert (CO-3)	María Elvira Salazar (FL-27)
Anthony D'Esposito (NY-4)	Zach Nunn (IA-3)	Ashley Hinson (IA-2)
Mike Lawler (NY-17)	John James (MI-10)	M. Miller-Meeks (IA-1)
Marc Molinaro (NY-19)	Ryan Zinke (MT-1)	Nick LaLota (NY-1)
George Santos (NY-3)	Don Bacon (NE-2)	Brian Fitzpatrick (PA-1)
Brandon Williams (NY-22)	Tom Kean Jr. (NJ-7)	Scott Perry (PA-10)
L. Chavez-DeRemer (OR-5)	Jen Kiggans (VA-2)	Andy Ogles (TN-5)
		Monica De La Cruz (TX-15)
		Bryan Steil (WI-1)
		Derrick Van Orden (WI-3)

Total seats rated Safe Republican: 188

Total seats rated Safe, Likely, or Leans R: 211

President Joe Biden Announces His Re-election Bid

- On April 25, President Joe Biden (D-DE) officially [launched](#) his re-election campaign to seek a second term in the 2024 presidential election. Vice President Kamala Harris (D-CA) is expected to be his running mate once again.
- Two other candidates have announced they are running in the 2024 Democratic presidential primary: Robert F. Kennedy, Jr. and Marianne Williamson, the latter of whom ran for the Democratic nomination in 2020.



Incumbent President Joe Biden

2024 Republican Presidential Primary

- Below are the major Republican candidates who have announced their presidential bids



Former President
Donald Trump



Florida Governor
Ron DeSantis



Former Vice President
Mike Pence



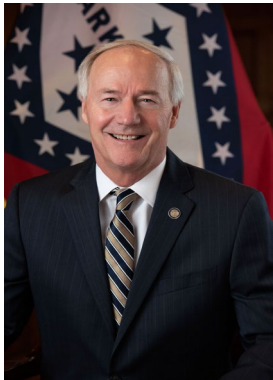
Former UN Ambassador
Nikki Haley



Senator Tim Scott (SC)



Former New Jersey Governor
Chris Christie



Former Arkansas Governor
Asa Hutchinson



Former Congressman
Will Hurd (TX-23)



Vivek Ramaswamy



Miami Mayor
Francis Suarez

2023 Off-Year Elections

- A special election to elect newly-retired Rep. David Cicilline's (D-RI) replacement will take place on November 7, 2023.
- There will be a special election later this year to elect the successor to retiring Rep. Chris Stewart's (R-UT) seat.
 - Rep. Stewart's final day in Congress will be September 15, 2023.
 - The primary election will be on September 5, and the general election will be on November 21.
 - On June 24, at the Utah Republican Party's special nominating convention, Celeste Maloy secured the nomination to be the Republican-nominee for the seat if no other candidates are able to secure the 7,000 signatures needed to qualify for the primary ballot.
- There will be three gubernatorial elections on November 7, 2023:
 - Kentucky (Democratic incumbent)
 - Mississippi (Republican incumbent)
 - Louisiana (term-limited Democratic incumbent)
- Louisiana, Mississippi, New Jersey, and Virginia will hold statehouse elections later this year, too.



Legislative and Policy Updates and Overviews



FY 2024 Appropriations

- On June 22, the Senate Appropriations Committee approved the FY 2024 subcommittee allocations, also known as 302(b)s. Those levels include:
 - Agriculture, Rural Development, Food and Drug Administration (Agriculture-FDA) – \$25.9 billion
 - Commerce, Justice, Science, and Related Agencies (CJS) – \$69.6 billion
 - Defense – \$823.3 billion
 - Energy and Water Development – \$56.7 billion
 - Financial Services and General Government (FSGG) – \$16.8 billion
 - Homeland Security – \$56.9 billion
 - Interior, Environment, and Related Agencies (Interior) – \$37.9 billion
 - Labor, Health and Human Services, Education (LHHS) – \$195.2 billion
 - Legislative Branch (Leg Branch) – \$6.8 billion
 - Military Construction, Veterans Affairs, and Related Agencies (MilConVA) – \$154.4 billion
 - State, Foreign Operations and Related Programs (SFOPS) – \$58.4 billion
 - Transportation, Housing and Urban Development and Related Agencies (THUD) – \$88.1 billion



FY 2024 Appropriations

- On June 22, the Senate Appropriations Committee approved unanimously two subcommittee bills:
 - MilConVA - \$316.1 billion, about \$6 billion **below** the FY 2023 enacted levels.
 - Agriculture-FDA - \$25.9 billion, a nearly \$500 million **increase** above FY 2023 enacted levels.
- The committee plans to mark up three bills on Thursday, July 13: Legislative Branch, Commerce-Justice-Science, and Financial Services.
- The total discretionary spending approved by Senate Appropriations matches the cap set by the debt ceiling deal, the Fiscal Responsibility Act ([P.L.118-5](#)), of \$1.59 trillion.
- In contrast, the House Appropriations Committee set a limit of \$1.47 trillion in order to please conservative Republicans dissatisfied by the debt ceiling deal.
- The differences between the two chambers must be reconciled before a final bill is approved, which is unlikely to occur before the end of the fiscal year on September 30 and will result in a Continuing Resolution (CR).



FY 2024 Appropriations

- On June 15, the House Appropriations Committee approved the FY 2024 302(b)s. Those levels include:
 - Agriculture, Rural Development, Food and Drug Administration (Agriculture-FDA) – \$17.8 billion
 - Commerce, Justice, Science, and Related Agencies (CJS) – \$58.7 billion
 - Defense – \$826.5 billion
 - Energy and Water Development – \$52.4 billion
 - Financial Services and General Government (FSGG) – \$11.3 billion
 - Homeland Security – \$62.8 billion
 - Interior, Environment, and Related Agencies (Interior) – \$25.4 billion
 - Labor, Health and Human Services, Education (LHHS) – \$147.1 billion
 - Legislative Branch (Leg Branch) – \$6.7 billion
 - Military Construction, Veterans Affairs, and Related Agencies (MilConVA) – \$155.7 billion
 - State, Foreign Operations and Related Programs (SFOPS) – \$41.4 billion
 - Transportation, Housing and Urban Development and Related Agencies (THUD) – \$65.2 billion



FY 2024 Appropriations

- The House Appropriations Committee approved half of the FY 2024 bills, including:
 - Agriculture-FDA - \$25.3 billion, a \$532 million **decrease** from the FY 2023 enacted levels.
 - Defense - \$826.5 billion, a \$28.7 billion **increase** over the FY 2023 enacted levels.
 - Energy and Water Development- \$58 billion, an **increase** of \$1.3 billion over the FY 2023 enacted levels.
 - Homeland Security - \$91.5 billion, \$2.1 billion **increase** from the FY 2023 enacted levels.
 - Leg Branch - \$5.3 billion, a \$252 million **decrease** from the FY 2023 enacted levels.
 - MilConVA - \$338 billion, nearly \$18 billion **above** the FY 2023 enacted levels.



FY 2024 Appropriations

- On June 22, two subcommittees approved the Financial Services and the State-Foreign Ops FY 2024 appropriations bills.
 - Financial Services - \$25.3 billion in non-defense discretionary funding and \$45 million in defense discretionary funding, a **decrease** of \$1.9 billion from last year's enacted levels.
 - State-Foreign Ops - \$52.5 billion, a **decrease** of \$7.2 billion from the FY 2023 enacted levels.
- The remaining FY 2024 appropriations bills to be addressed include:
 - Commerce, Justice, Science
 - Interior and Environment
 - Labor-HHS-Education
 - Transportation-Housing and Urban Development
- The committee is expected to mark up the remaining six bills after the July 4 recess.



FY24 National Defense Authorization Act (NDAA)

Background: The NDAA is the annual defense legislation that sets the budget and priorities of the Department of Defense (DoD). The bill has passed every year for over six decades and is considered the last real “must-pass” bill by many in Congress, leading to a bipartisan, bicameral process to ensure passage.

Update: The House and the Senate Armed Services Committees held committee markups during the week of June 19. Both voted the legislation out of the respective committees favorably, authorizing \$886 billion for DoD and its related programs. This funding level meets the defense caps agreed to in the debt ceiling negotiations. Both committees avoided personnel negotiations, specifically those surrounding DoD’s abortion travel policy, setting up tough votes for the floor.

Timeline: The House has announced it will consider the HASC-approved NDAA on the floor during the week of **July 10**. Amendments were due to be filed by June 30 and we expect over 1,000 to be filed across many issue areas. We expect SASC to follow suit with floor consideration in **late July** before the August recess. Ideally, the two sides conference the bill in August and September, setting up final negotiations and passage in the late Fall and Winter.



Tax Update

- The Ways and Means Committee advanced its first major tax package of the 118th Congress by a party-line vote following an 11-hour [markup](#) late June 13. The package included provisions to:
 - Restore full expensing of research and development costs, the deductibility of business interest expenses, and bonus depreciation.
 - Increase the standard deduction to \$4,000 for joint filers and \$2,000 for individuals for tax years 2024 and 2025.
 - Modifies provisions to further incentivize investments in rural “opportunity zones”, among others.
 - The package extends these provisions until 2025, when other critical provisions of the Tax Cuts and Jobs Act are set to expire.
 - Notably, the package does not include the Committee’s [legislation](#) to levy retaliatory taxes against nations implementing the Pillar Two global minimum tax.
- The path forward for any major tax legislation in the 118th Congress would require cost parity between Democratic and Republican provisions. Democrats have prioritized extending the expanded Child Tax Credit, which would cost an [estimated](#) \$1.6 trillion over 10 years, eclipsing the roughly [revenue-neutral](#) Republican package.



Ways and Means Committee Chair Jason Smith (R-MO)



Senate Finance Committee Chair Ron Wyden (D-OR)

Financial Services Update

- Republicans in the House Financial Services and Agriculture Committees released a [discussion draft](#) of legislation outlining a regulatory framework for the crypto industry.
 - The bill further clarifies the treatment of tokens as securities or commodities and provides a pathway for security tokens to become commodities as they decentralize. The framework explicitly excludes non-fungible tokens and distinguishes between digital asset issuers and the blockchain technology behind individual tokens.
 - In [hearings](#) to examine the bill, Republicans praised its clarification of the Commodity Futures Trading Commission's (CFTC) jurisdiction over digital asset spot markets. Democrats expressed concerns that the CFTC lacks the staffing or authorities to effectively regulate the industry.
- The Senate Banking Committee marked up the RECOUP Act ([S.2190](#)), legislation to claw back executive compensation from executives of banks with assets above \$10 billion. The legislation received bipartisan support; Sens. Thom Tillis (R-NC) and Bill Hagerty (R-TN) were the only members to vote against the measure.



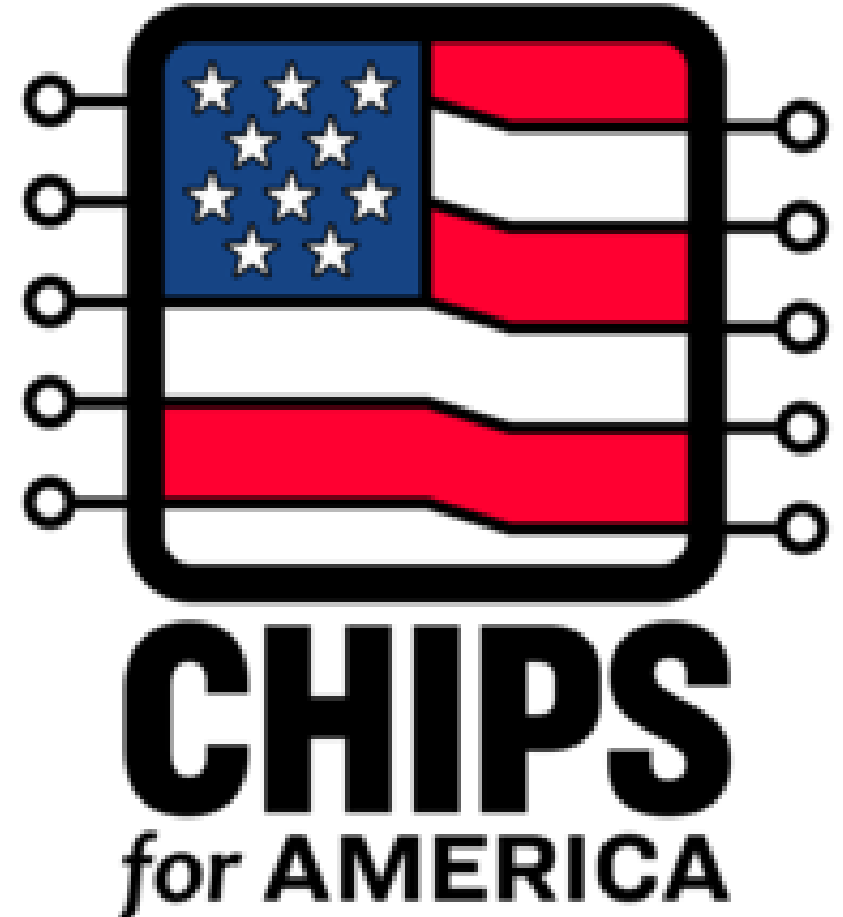
House Financial Services Chair Patrick McHenry (R-NC)



Senate Banking Committee Chair Sherrod Brown (D-OH)

Tech Update

- On June 23, the CHIPS Program Office [announced](#) a funding opportunity for projects designed to strengthen U.S. semiconductor supply chains. Funding is available for materials or manufacturing equipment supplier facilities with expected capital investments of \$300 million or more.
- The funding opportunity is rooted in three primary objectives:
 - To strengthen supply chain resilience by reducing geographic chokepoints.
 - To incentivize U.S. suppliers to increase domestic footprints and attract investment from foreign suppliers.
 - To create a self-sufficient ecosystem of reinvestment within semiconductor clusters across the U.S.
- Funding will be prioritized for projects that onshore critical manufacturing and supply chains to the U.S., as well as projects that would be impossible without CHIPS funding.
- The CHIPS Program Office will accept pre-applications for the notice starting September 1, with full applications opening October 23.



Artificial Intelligence Update

- Following OpenAI CEO Sam Altman's [testimony](#) before the Senate Judiciary Committee in May, Congress has become increasingly interested in regulating AI.
 - Senate Majority Leader Chuck Schumer [unveiled](#) his SAFE Innovation Framework, a set of principles to underly future AI legislation. The framework seeks to balance consumer protections and innovation, with an emphasis on promoting AI explainability.
 - Senator Schumer also committed to hosting "AI Insight Forums", discussions with AI leaders and skeptics to educate members of Congress on AI technology. These forums follow a series of three nonpublic Senate briefings on AI and are designed to replace or supplement the traditional Congressional hearing process.
- The Senate Judiciary Committee held hearings on the interactions between [AI and patent law](#) and the implications of AI for [human rights](#). Both hearings underscored the need to establish a framework for AI regulation to preserve U.S. competitiveness.
- In the House, Representatives Ted Lieu (D-CA), Jay Obernolte (R-CA), Ken Buck (R-CO), Ritchie Torres (D-NY), and Yvette Clarke (D-NY) have emerged as leaders in the AI space. Representatives Lieu, Buck, and Anna Eshoo (D-CA) introduced legislation ([H.R. 4223](#)) to create a national commission focused on advancing AI regulation.



Senate Majority Leader Chuck Schumer (D-NY)

Student Loan Updates

- On June 30, the Supreme Court [ruled](#) 6-3 to strike down President Biden’s one-time debt relief plan in the *Biden v. Nebraska* case. Chief Justice John Roberts wrote for the conservative majority, while Justice Elena Kagan wrote the dissenting opinion.
- In August 2022, President Biden proposed up to \$10,000 in relief for borrowers earning less than \$125,000 per year (\$250,000 for households), with Pell Grant recipients eligible for up to \$20,000 in debt cancellation. The 16 million applicants approved for forgiveness before legal challenges halted the program will no longer see that relief.
- Despite failing to overturn the plan in June via a Congressional Review Act ([H.J. Res. 45](#)) resolution, further attempts to restrict executive authority on student loans may surface by congressional Republicans. Progressives will continue calls to exert relief via other avenues. Education leaders on both sides will watch Department of Education activity carefully to ensure a smooth return to repayment for borrowers.
- Democrats were disappointed with the decision, while Republicans celebrated it; House Education and the Workforce Committee Chairwoman Virginia Foxx’s (R-NC) [statement](#) called on the administration to “get to work” on return to repayment.



President Joe Biden

Affirmative Action Updates

- On June 29, the Supreme Court ruled 6-3 in the *Students for Fair Admissions, Inc. v. President & Fellows of Harvard College* and *Students for Fair Admissions, Inc. v. University of North Carolina* [cases](#) that race-conscious admissions policies at institutions of higher education are unconstitutional.
- The ruling strikes down the affirmative action admissions policies at the universities and is likely to affect how some institutions of higher education proceed with the admissions process for potential students.
- The decision, which overturns more than 40 years of judicial precedent, comes seven years after the Court last implicitly affirmed the constitutionality of race consciousness in higher education admissions in *Fisher v. University of Texas*.
- Shortly after the decision, President Biden gave a [speech](#), noting institutions “should not abandon” their commitments to fostering diverse student bodies. He also announced forthcoming [guidance](#) on how universities can utilize lawful admissions practices to promote diversity and educational opportunities for all students.
- Congressional reactions were mixed, with Republicans applauding the decision and Democrats opposed. House Education and the Workforce Committee Chairwoman Virginia Foxx’s (R-NC) [statement](#) praised the decision, calling it a “welcome victory for countless students.”



Republicans Introduce Higher Education Legislation

- In June, Republican committee leaders in both chambers introduced higher education legislation related to college cost and student loans, representing some of their priorities for a future Higher Education Act (HEA) reauthorization.
 - Senate HELP Committee Republicans, led by Ranking Member Bill Cassidy (R-LA), [released](#) a [package](#) of five bills, known as the Lowering Education Costs and Debt Act ([S. 1972](#)). House Education and the Workforce Committee Chairwoman Virginia Foxx (R-NC), Higher Education and Workforce Development Subcommittee Chairman Burgess Owens (R-UT), and committee member Rep. Lisa McClain (R-MI) [introduced](#) the Federal Assistance to Initiate Repayment (FAIR) Act ([H.R. 4144](#)), which aims to streamline and improve the student loan repayment system.
- The Senate is unlikely to take up S. 1972, given the Democrats are in the majority; however, Republicans will continue to conduct oversight of the administration's actions related to higher education.
- We anticipate Chairwoman Foxx will introduce other higher education bills and hold additional relevant hearings to prepare for a possible HEA reauthorization later this year.



House Education and the Workforce Chair Virginia Foxx (R-NC)



Senate HELP Ranking Member Bill Cassidy (R-LA)

Health Care – Leadership Updates



Senate Majority Leader Chuck Schumer (D-NY)

- **Schumer Weighs In on Drug Shortage Issue:** In a letter sent to the U.S. Food & Drug Administration (FDA) on June 26, Senate Majority Leader Chuck Schumer (D-NY) urged FDA to take immediate action to address drug shortages and announced that he will craft a four-part legislative plan to support these efforts.
 - Leader Schumer noted that he is particularly concerned with cancer drug shortages and limited access to reliable generics. Schumer's office outlined several reasons for the current drug shortages, including insufficient manufacturing, lack of transparency by both the FDA and pharmaceutical industry, and ongoing reliance on foreign companies.
 - Leader Schumer's letter comes as House negotiations on the Pandemic and All-Hazards Preparedness Act (PAHPA) reauthorization stall, with Democrats calling for the inclusion of FDA provisions to address drug shortages and Republicans pushing for a bill that is narrower in scope.

Health Care Updates – House Energy & Commerce (E&C) Committee

- This month, E&C held hearings on a wide range of topics, including rare diseases and reforming the Medicare physician payment system, and held initial discussions on reauthorizing opioid programs under the SUPPORT Act and the Children’s Hospital Graduate Medical Education (CHGME) Program.
- **CDC Oversight:** In June, both E&C’s Oversight and Investigations (O&I) Subcommittee and the House Oversight Select Subcommittee on the Coronavirus Pandemic held hearings examining CDC’s role in the COVID-19 pandemic.
 - E&C Members discussed reforming the CDC, data modernization, lack of public trust in the CDC, and whether the agency made decisions based on scientific evidence, among other topics.
 - In the Oversight hearing, Republicans focused their questions on COVID-19 misinformation, while Democrats applauded Dr. Walensky for a successful COVID-19 vaccine rollout and effective guidance for reopening schools.
- **Rare Disease Funding:** On June 14, the E&C Health Subcommittee held a [legislative hearing](#) on proposals aimed at providing access to care for patients and supporting research for rare diseases. The hearing reviewed bills related to maternal and children’s health, disease research and prevention, and access to care.
 - While there was discussion of bipartisan public health programs up for reauthorization, there was strong disagreement over the Children’s Hospital GME Support Reauthorization Act of 2023 ([H.R. 3887](#)), led by Rep. Dan Crenshaw (R-TX). Democrats expressed frustration over a provision in the bill that would prohibit children’s hospitals from receiving CHGME funding if they administer gender-affirming care.



House Energy & Commerce Chair
Cathy McMorris Rodgers (R-WA)

Health Care Updates – House Energy & Commerce (E&C) Committee

- **Additional E&C Health hearings included:**
- **Reauthorization of Expiring Health Programs:** On June 21, the E&C Health Subcommittee held a [hearing](#) on “Responding to America’s Overdose Crisis: An Examination of Legislation to Build Upon the SUPPORT Act.”
 - The hearing primarily focused on the bipartisan support for reauthorizing the SUPPORT for Patients and Communities Act ([H.R. 6](#)), which includes provisions related to opioid use disorder prevention, recovery, and treatment.
- **Bipartisan Interest in MACRA Reform:** On June 22, the E&C O&I Subcommittee held a [hearing](#) titled “MACRA Checkup: Assessing Implementation and Challenges that Remain for Patients and Doctors.”
 - The hearing reviewed the implementation and effectiveness of the Medicare Access and CHIP Reauthorization Act of 2015 (MACRA) ([Public Law No: 114-10](#)). Committee leaders like Chair Cathy McMorris Rodgers (R-WA) and Ranking Member Frank Pallone (D-NJ) discussed how MACRA has fallen short of moving the Medicare payment structure from volume to value and agreed that improvements are needed.



House Energy & Commerce Chair
Cathy McMorris Rodgers (R-WA)

Health Care Updates – PAHPA Reauthorization



Congressman Richard Hudson (R-NC), one of the main champions for PAHPA reauthorization

- **The Pandemic and All-Hazards Preparedness Act (PAHPA; [Pub. L. 109-417](#))** initially authorized many of the federal government’s biodefense and pandemic preparedness programs, like the **Administration for Strategic Preparedness and Response (ASPR)** and the **Biomedical Advanced Research and Development Authority (BARDA)**.
 - Unless reauthorized before September 30, 2023, funding for most PAHPA programs and authorities will expire. The House and Senate initiated the reauthorization process earlier this year, with the E&C and HELP Committees holding preliminary hearings.

Health Care Updates – PAHPA Reauthorization



Congressman Richard Hudson (R-NC), one of the main champions for PAHPA reauthorization

- **PAHPA Becomes Partisan, Democrats Demand Provisions to Address Drug Shortages:** On June 13, the E&C Health Subcommittee held a [legislative hearing](#) titled “Legislative Solutions to Bolster Preparedness and Response for All Hazards and Public Health Security Threats” to discuss twenty-one bills related to the reauthorization of PAHPA.
 - Republicans expressed disappointment that the House-led negotiations for PAHPA are no longer bipartisan, with Democrats strongly pushing for the inclusion of additional proposals to address drug shortages and strengthen the U.S. medical supply chain resilience. Given the partisan disputes, Rep. Richard Hudson (R-NC) suggested a possible one-year PAHPA extension.
 - Since the hearing, conversations between Committee Republicans and Democrats have stalled due to disagreement over whether to include provisions giving the FDA additional authority to address drug shortages, improve inspections, and gain better transparency on active pharmaceutical ingredients (APIs).
 - Committee Republicans plan to continue holding PAHPA-related hearings in July.
- **Bicameral Republican RFI Into Drug Shortages:** Shortly after the hearing, Senate Finance Ranking Member Mike Crapo (R-ID) and E&C Chairwoman Cathy McMorris Rodgers (R-WA) [announced](#) a request for information (RFI) regarding the increase in drug shortages in the U.S. to help illustrate their willingness to address drug shortage issues outside of PAHPA reauthorization. However, on June 26, Ranking Member Pallone reiterated he wants House Republicans to include provisions within PAHPA this year to address the national drug shortage crisis.

Health Care Updates – House Ways & Means Committee

- Last month, Ways & Means, followed by the Education & Workforce Committee, passed legislation intended to expand access to telehealth services for certain health plans. There was limited Democratic support, and the White House publicly opposed the legislation.
- **Ways Moves Forward to Expand Telehealth for Certain Health Plans:** On June 7, 2023, Ways & Means held a [markup](#) of nine bills, including the *Telehealth Expansion Act of 2023* ([H.R. 1843](#)), which would permanently exempt high deductible health plans (HDHPs) from the requirement of a deductible for telehealth and other remote-care services.
 - The safe harbor for telehealth services from the deductible in HDHPs was established initially under the Coronavirus Aid, Relief, and Economic Security Act (CARES) Act ([H.R. 748](#), 116th Congress) as a response to the COVID-19 pandemic and has been extended to the start of 2025.
 - While Committee Republicans argued the bill would improve rural access to health care, Ranking Member Richard Neal (D-MA) led most Democrats in opposing expanding benefits for health savings account (HSA) plans.
 - The Committee favorably reported the bill to the full House in a 30-12 vote, but it's unclear whether this legislation will be considered in the Democratically controlled Senate.
 - The Congressional Budget Office (CBO) estimates the legislation would cost \$5.05 billion over ten years, making its cost an issue as House Republicans continue to argue for federal budget cuts.
- **H.R. 1843 could be considered by the full House as soon as the week of July 19, 2023, but its recent estimated cost and continued White House opposition may complicate further action.**



House Ways & Means Committee
Chairman Jason Smith (R-MO)

Health Care Updates – House Education & Workforce Committee

- In June, the House Education & Workforce Committee focused more than usual on health-related issues, hosting the HHS Secretary.
- **Ed & Workforce Hosts HHS Secretary:** On June 13, the Committee held a [hearing](#) titled “Examining the Policies and Priorities of the Department of Health and Human Services,” at which HHS Secretary Xavier Becerra testified. The hearing touched on prescription drug costs, care for unaccompanied migrant children, the COVID-19 pandemic, and implementation of the Inflation Reduction Act (IRA).
 - Oversight Committee Chairman James Comer (R-KY) joined the hearing to discuss reforming pharmacy benefit managers (PBMs), which Secretary Becerra endorsed, stating HHS “hopes PBMs get more scrutiny.” Secretary Becerra also discussed [President Biden’s proposed FY24 budget](#) that seeks to build on previous investments to lower costs and expand access to health care.



House Education & Workforce Chair
Virginia Foxx (R-NC)

Health Care Updates – House Education & Workforce Committee



House Education & Workforce Chair
Virginia Foxx (R-NC)

- **Congressional Committees Continue Examining Healthcare Affordability:** On June 21, the Committee’s Subcommittee on Health, Employment, Labor, and Pensions held a [hearing](#) titled “Competition and Transparency: The Pathway Forward for a Stronger Health Care Market.”
 - The hearing focused on competition and transparency around hospitals and PBMs and followed similar hearings held by E&C, Ways and Means, Senate Finance, and others.
- **Ed & Workforce Passes Telehealth Extension:** On June 13, the House Education and Workforce Committee held a [markup](#) for several bills, including the *Telehealth Benefit Expansion for Workers Act of 2023* ([H.R. 824](#)), which would extend flexibilities established during the COVID-19 pandemic to allow for expanded coverage of telehealth services offered under a group health plan or group health insurance coverage.
 - This bill is expected to ride alongside the Ways & Means *Telehealth Expansion Act of 2023* ([H.R. 1843](#)), but full floor consideration is unclear following growing Democratic opposition.

Health Updates – Senate Health, Education, Labor and Pensions (HELP) Committee

- In June, the Senate HELP Committee focused on addressing the youth mental health crisis in the U.S. and reauthorizing several federal health programs expiring at the end of fiscal year (FY) 2023.
- **All Eyes on Pediatric Mental Health:** On June 8, the HELP Committee held a [hearing](#) titled “Why Are So Many American Youth in a Mental Health Crisis? Exploring Causes and Solutions.”
 - Chairman Bernie Sanders (I-VT) partly blamed children’s high suicide rate on the rise of social media, the COVID-19 pandemic, and efforts by companies to get children addicted to their websites. Ranking Member Bill Cassidy (R-LA) discussed the increasingly high rates of youth reporting helplessness and considering suicide.
- **Federal Health Program Reauthorization:** On June 15, the HELP Committee held a [markup](#) and favorably reported six health bills that need to be reauthorized by September 30, 2023, or else risk lapsing, including:
 - *National Alzheimer’s Project Act (NAPA) Reauthorization Act* ([S. 133](#));
 - *Alzheimer’s Accountability and Investment Act* ([S. 134](#));
 - *Supporting and Improving Rural EMS Needs (SIREN) Reauthorization Act* ([S. 265](#));
 - *Animal Drug and Animal Generic Drug User Fee Amendments of 2023* ([S. 1844](#));
 - *Sickle Cell Disease and Other Heritable Blood Disorders Research, Surveillance, Prevention, and Treatment Act of 2023* ([S. 1852](#)); and
 - *Special Diabetes Program Reauthorization Act of 2023* ([S. 1855](#)).



Senate HELP Committee
Chairman Bernie Sanders (I-VT)

Health Care Updates – Senate Finance Committee



Senate Finance Committee Chairman
Ron Wyden (D-OR)

- Last month, the Senate Finance Committee continued its focus on increasing transparency and competition in the health care sector, including through enhanced oversight of PBM practices.
- **Finance Examines Growing Health Costs:** On June 8, the Senate Finance Committee held a [hearing](#) titled “Consolidation and Corporate Ownership in Health Care: Trends and Impacts on Access, Quality, and Costs.” The Committee discussed issues related to vertical and horizontal consolidation, PBMs, site-neutral billing, price transparency, Medicare Advantage, and automated algorithms. Many of the topics discussed in the hearing garnered bipartisan support, setting the stage for the potential advancement of legislative proposals to address recent trends driving high health care costs and poor patient outcomes.
- **Bipartisan PBM Bill Revealed:** On June 14, Chair Ron Wyden (D-OR), Ranking Member Mike Crapo (R-ID), Sens. Marsha Blackburn (R-TN), Jon Tester (D-MT), Bob Menendez (D-NJ), and Roger Marshall (R-KS) introduced the [Patients Before Middlemen \(PBM\) Act](#). The bill would prohibit PBM compensation based on the price of a drug as a condition of entering into a contract with a Medicare Part D plan. Under the bill, service fees would not be connected to the price of a drug, discounts, rebates, or other fees. The bill would also create an enforcement mechanism requiring pharmacy PBMs to pay HHS any amount above the designated service fees.

Health Care Updates – Federal Agency Updates



- **As had been long anticipated, several industry-led lawsuits were filed in June against the IRA’s Medicare Drug Price Negotiation Program:**
 - On June 21, the National Infusion Center Association (NICA), the Global Colon Cancer Association (GCCA), and the Pharmaceutical Research and Manufacturers of America (PhRMA) [filed suit](#) against HHS and CMS, as well as HHS Secretary Xavier Becerra and CMS Administrator Chiquita Brooks-LaSure in their official capacities, alleging that the IRA Medicare Drug Price Negotiation Program is unconstitutional due to several claims, including due process, excessive fines, and separation of powers.
 - Filed in the U.S. District Court for the Western District of Texas, this complaint is the fourth lawsuit challenging the IRA Drug Pricing Program after earlier suits by Merck, the U.S. Chamber of Commerce, and Bristol Myers Squibb.
- **Congress Reacts to Medicare Negotiation Lawsuits:**
 - After the suits were filed, several Democrats released statements, namely E&C Ranking Member Frank Pallone (D-NJ) and Senate Finance Chair Ron Wyden (D-OR). [In his statement](#), Pallone noted, “The only thing this lawsuit will accomplish is hardening Democrats’ resolve to pass legislation to extend Medicare’s prices to the commercial market.”
 - On June 22, Sens. Mike Lee (R-UT) and Marco Rubio (R-FL) reintroduced a bill to repeal the “prescription drug price control provisions” in the IRA ([S.2157](#)). While bill text for S. 2157 has not been publicly released, it is likely a reintroduction of the *Protect Drug Innovation Act* ([S. 4952](#)), which was introduced in September 2022 by Sens. Lee and Rubio. S. 4952 proposed repealing Parts 1, 2, and 3 of the IRA’s prescription drug pricing reform provisions, including the drug price negotiation program, inflation-based rebates, and the Part D redesign.
- **HHS Releases Part B Spending Report:** On June 9, the HHS Office of the Assistant Secretary for Planning and Evaluation (ASPE) released [new research](#) on spending and utilization trends of Medicare Part B drugs. The report showed that Medicare Part B drugs had the fastest rate of spending growth among drugs in the Medicare program over the past few decades.

Health Care Updates – MedPAC & MACPAC Release June 2023 Reports

- Each year, the Medicare Payment Advisory Commission (MedPAC) and the Medicaid and Children’s Health Insurance Program (CHIP) Payment and Access Commission (MACPAC) publish two Reports to Congress in March and June, which serve as the primary mechanisms by which the Commissions make legislative recommendations.
- **MedPAC June 2023 Report to Congress:** MedPAC’s June 2023 report to Congress consisted of ten chapters, including addressing high prices of drugs covered under Medicare Part B; assessing post-sale rebates for prescription drugs in Medicare Part D; favorable selection and future directions for Medicare Advantage payment policy; behavioral health services in the Medicare program; telehealth; and other provider and payer issues within Medicare.
 - Notably, MedPAC called on the Centers for Medicare and Medicaid Services (CMS) to lower its payment rates for telehealth services since they do not cost as much as providing in-person care.
- **MACPAC June 2023 Report to Congress:** MACPAC’s report to Congress included four chapters on:
 - Countercyclical Medicaid Disproportionate Share Hospital Allotments;
 - Integrating Care for Dually Eligible Beneficiaries: Different Delivery Mechanisms Provide Varying Levels of Integration;
 - Access to Medicaid Coverage and Care for Adults Leaving Incarceration; and
 - Access to Home- and Community-Based Services.



Thank you



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