

January 30, 2020

## **Greetings and a belated Happy New Year from COGA!**

2020 began with a great success, as we kicked off the year with a legislative win on the federal level...

### **Medical Device Tax/ Cadillac Tax**

On December 23, 2019, President Trump signed into law the Consolidated Appropriations Act, 2020 and the Further Consolidated Appropriations Act, 2020. Included in this appropriation bill was **a permanent repeal of the 2.3% medical device tax, as well as a permanent repeal of the 40% tax on high-cost employer-sponsored health plans (Cadillac Tax)**. While the implementation of both the medical device tax and the Cadillac tax was delayed through 2019 due to an extended moratorium, and a repeal passed in the House in 2018, this is the first time the permanent repeal of both these taxes passed in both the House and the Senate, and was ultimately signed into law. Those of you who have attended the Advocacy Conference can attest to the fact that it started to feel like the movie “Groundhog Day”, as we repeatedly lobbied on the issue of the medical device tax for several years. We are glad to see the repeated efforts, and our collaboration with other healthcare groups on this issue, finally pay off.

In addition to the permanent repeals of the medical device tax and Cadillac tax, this appropriation bill also **temporarily lowered the medical expense deduction floor** from 10% to 7.5% of adjusted gross income for tax year 2020. This lowers the amount patients have to spend on medical expenses before they can start receiving tax deductions. The AAO has historically supported lowering the medical expense deduction, because it benefits families with extremely high medical expenses, including those who are also paying for orthodontic treatment.

### **Student Loan Finance Reform**

A second issue that is of concern to our members (especially our younger members) is reform to the student loan financing system, which is currently being debated with the **Higher Education Act Reauthorization**.

The House Education and Labor Committee continues working on the Manager’s Amendment to bring the College Affordability Act to the floor. The bill will likely move to the floor in early spring, as the committee works to gain more support for the measure. The committee has not yet reached its goal of 150 cosponsors, as the measure has 137 Democratic supporters.

In the Senate, Health, Education, Labor, and Pensions (HELP) Committee Chairman Lamar Alexander (R-TN) and Ranking Member Patty Murray (D-WA) continue negotiations on a possible bipartisan measure. Yet, the HELP leaders have not provided a timeline for when a bill will be introduced and its scope. Negotiations appear to be in the early stages, with Democrats indicating there is still much to discuss in order to achieve a bipartisan bill and Republican committee members wanting better assurances that key provisions are not easily ceded to the Democrats.

## **Ensuring Lasting Smiles Act**

A final area of focus for COGA has been on ensuring that our patients with craniofacial anomalies get the coverage that they need and deserve from insurance companies.

On January 8, the House Energy & Commerce Subcommittee on Health held a legislative hearing on “Legislation to Improve Americans’ Health Care Coverage and Outcomes.” During the hearing, members discussed the **Ensuring Lasting Smiles Act**, introduced by **Rep. Collin Peterson (D-MN)**, with Patient Advocate Kevin Koser of the National Foundation for Ectodermal Dysplasias. Mr. Koser explained that health plans often deny medically necessary care to address congenital anomalies through loopholes, such as labeling such care as cosmetic or dental care. He explained that ELSA would close these loopholes, and urged support for the legislation.

Throughout the hearing, members expressed their broad support for ELSA. Subcommittee **Chairwoman Anna Eshoo (D-CA)** stated that “4% of children in the US are born with congenital anomalies” and that health plans systematically delay claims for treatment. She stated that this practice often leaves parents with medical debt and high out of pocket costs.

Subcommittee **Ranking Member Greg Walden (R-OR)** expressed support for the legislation, but also stated his belief that his “colleagues on both sides of the aisle would agree that the language in this bill could be improved to avoid any unintended consequences.” He did not elaborate on specific changes to the legislation he supports.

In the coming weeks, Chairwoman Eshoo stated she has “every intention” for the Subcommittee to hold a markup of the legislation but did not indicate a specific timeline.

I have a particularly strong interest in seeing this legislation move forward, as I have worked with the Akron Children’s Hospital Craniofacial Team for several years, and have seen the heartbreak and stress caused for patients and their families when

payment for these critical procedures are denied. Therefore, I will continue to monitor this issue, and provide updates as to what happens.

## **Federal vs. State Lobbying Budget Considerations**

As you may recall, there has been some discussion as to how much we should spend on federal lobbying since we have so many issues (direct-to-consumer orthodontics, specialty advertising laws) that are occurring on the state level.

In response to these concerns, the Board of Trustees assembled a Global Advocacy Task Force to look at a number of issues related to our federal and state advocacy work. At the conclusion of the task force's work, the task force recommended to the BOT that a new RFP for the federal lobbyist role be conducted. However, in contrast to prior RFPs that left open both the scope of services and the compensation for the services, the task force's recommendation was for the RFP to state the budgetary amount the AAO will spend (\$10,000 per month, or \$120,000 annual) and request that respondents describe what services they can provide for that amount. The BOT accepted this recommendation at its meeting last November and we are now moving forward with a new RFP in this format.

A subcommittee of COGA will be reviewing proposals from several lobbying firms to see what type of services we could receive for a smaller budget. This would then free up money to address urgent state issues. Phil and I are going to be serving on this subcommittee, and will keep you posted as this process plays out.

## **Professional Advocacy Conference**

Just a reminder that the Professional Advocacy Conference will be held in Washington DC on February 25-26. We can always use more help! No experience whatsoever is needed! We'll train you! COGA will be holding a meeting in conjunction with the Professional Advocacy Conference.

Wishing you all warm sweaters and the perfectly heated hot chocolate as you get through the next couple months.

Respectfully submitted,

Dale Anne Featheringham

GLAO COGA representative