



BOS Washington Update



Monday, January 15th, 2015

Happy New Year! Tomorrow begins the 114th Congress, and with it a new Republican majority in the United States Senate. While Senator Mitch McConnell assumes the reins as Senate Majority Leader, Speaker John Boehner begins this Congress with the largest House Republican majority since the Truman administration. Boehner, however, starts the year with two nagging headaches: the revelation that House Majority Whip Steve Scalise addressed white supremacists and accepted donations from at least one back in the 1990s, and the resignation of Rep. Michael Grimm of New York following a guilty plea for felony tax evasion.

New Chairmen Prepare to Take Gavels. When the 114th Congress meets tomorrow, there will be several new chairmen, but three in particular will be of utmost importance to health care policy. Georgia Congressman and AAOS Member Tom Price (R-GA) is set to become the next chairman of the House Budget Committee, which holds the keys to initial planning on any changes in the ACA. Senator Michael Enzi (R-WY) will be Rep. Price's Senate counterpart. Also the House Ways and Means Committee will now be led by Rep. Paul Ryan (R-WI). Ways and Means will take the lead in any possible entitlement program changes.

Scalise Scandal. Last week, a Louisiana blogger revealed that then-state lawmaker and now-House Majority Whip Steve Scalise (R-LA) addressed the 2002 convention of the European-American Unity and Rights Organization (EURO), a white supremacist organization founded by former Ku Klux Klan grand wizard David Duke. For his part, Rep. Scalise said that he was unaware of the group's mission, stating "I didn't know who all of these groups were and I detest any kind of hate group. For anyone to suggest that I was involved with a group like that is insulting and ludicrous." ([Times-Picayune](#))

GOP Leadership Backs Scalise. House Speaker John Boehner and Majority Leader Kevin McCarthy are standing by Scalise, calling his decision to speak before EURO a mistake. "More than a decade ago, Representative Scalise made an error in judgment, and he was right to acknowledge it was wrong and inappropriate. Like many of my colleagues on both sides of the aisle, I know Steve to be a man of high integrity and good character. He has my full confidence as our Whip, and he will continue to do great and important work for all Americans," Boehner said in a 12/30 statement. ([HuffPo](#))

Things Look Grim(m). Effective today, Michael Grimm is now a former Representative, and the swing 11th district of New York will have a special election. Mr. Grimm announced he would be resigning on December 29th after pleading guilty to tax evasion. Despite being under indictment, Grimm coasted to re-election over lackluster Democrat Domenic Recchia this past year. The election to replace Grimm is expected to be competitive, as President Obama carried the district in 2012. ([CNN](#))

Repeal Through Reconciliation? Republicans are considering using a budget tool called "reconciliation" to pass what would effectively be a symbolic repeal of the Affordable Care Act (ACA). The procedural tactic would allow Senate Republicans to pass a repeal measure with 51 votes, instead of the normally required 60. While the President would veto the legislation, and Republicans lack the numbers for an override, it would mark the first time that Congress passed a repeal of the ACA. ([The Hill](#))

Better Prospects for Device Tax Repeal. Lawmakers from both sides are supportive of and optimistic for repeal of the 2.3% medical device excise tax in the ACA. Incoming Senate majority leader Mitch McConnell (R-Ky.) said a vote to repeal the Affordable Care Act and its 2.3% medical device tax could come as soon as this month. ([WaPo](#))

A “Dynamic” Idea. Prior to adjourning for the year, House GOP leaders proposed a rule change that would require the Congressional Budget Office (CBO) and the Joint Committee on Taxation (JCT) would be directed to incorporate any macroeconomic effects of legislation into their scoring if the bill is expected to have a significant effect on the economy. The House Rules Committee and the full chamber will likely approve the proposed changes. Known as “dynamic scoring,” the rule proposal requires the CBO and the JCT to assess the budgetary effects of changes in “economic output, employment, capital stock and other macroeconomic variables.” Republicans have long complained that the CBO and the Joint Committee on Taxation don’t take into account the economic impact that can occur as a result of tax cut or spending legislation. GOP lawmakers have cited the Affordable Care Act as an example of a bill with longer-term costs and negative economic impacts that should have been examined more closely. For their part, many Democrats oppose dynamic scoring, and Budget Committee ranking member Rep. Chris Van Hollen (D-MD) has said it amounts to “cooking the books.” ([WSJ](#) – Behind Paywall)

A Fond Farewell

This marks the final edition of *BOS Washington Update* written by yours truly, Jamie Gregorian. I will be leaving the Academy on January 14th to become Director of Federal Government Relations at the Biotechnology Industry Organization (BIO). It has been a privilege to work with so many great people and on such important issues, and I wish you all the very best.