SHAPING THE NEXT SENATE'S HEALTH CARE POLICY — Three Republican senators are vying to be the majority leader in the upper chamber in the new Congress.

Sens. John Thune of South Dakota, John Cornyn of Texas and Rick Scott of Florida are facing off, with Scott winning an <u>early endorsement from tech billionaire Elon Musk</u> on Sunday.

Whoever becomes majority leader will have an outsized role in shaping the health care priorities of the next Congress. So, here's a breakdown of their past policies:

THUNE

His primary focus has been telehealth. He supports <u>making pandemic-era rules that</u> <u>eased access to telehealth for Medicare patients</u> permanent and removing restrictions on telehealth based on geography or provider classification.

Thune also wants to increase transparency requirements for pharmacy benefit managers, the so-called middlemen who negotiate rebates between drugmakers and health insurers. And he's a <u>member of a bipartisan working group investigating possible reforms</u> to the physician fee schedule.

Thune <u>once backed a national 15-week abortion ban</u> but softened his rhetoric during the 2024 election campaign.

CORNYN

The Texas senator has been a fierce advocate for drug patent reform and has <u>worked</u> <u>across the aisle on several bipartisan bills intended to reduce drug costs for older adults</u>. Still, he <u>opposes the Inflation Reduction Act's Medicare drug price negotiations</u>, Axios reports.

On abortion, Cornyn says it should be left to the states.

He has also spent most of the past decade staunchly opposing the Affordable Care Act and advocating for a replacement. In 2017, he was one of the most prominent advocates for the Republican-sponsored Better Care Reconciliation Act, which would have replaced the ACA.

SCOTT

As governor of Florida, the now-senator <u>opposed Medicaid expansion</u>. He's also been a loud critic of the ACA and, during the Trump administration, was among the Republican senators who the president asked to find alternatives to the policy.

Scott has echoed Donald Trump's "leave it to the states" rhetoric around abortion and <u>opposed a 2024 ballot measure that would have rolled back Florida's six-week ban</u>.

Scott also ran a health care company, then called Columbia/HCA, that was slapped with a record-breaking fine for Medicare fraud. Columbia/HCA (now HCA Healthcare) is a for-profit hospital chain, and Scott was chair and CEO of the hospital company until 1997 — when he resigned under pressure.

The company admitted to an array of charges, <u>including submitting inflated bills to the</u> <u>government</u>. Scott himself was never charged and has flip-flopped on his responses to the controversy — sometimes saying he was unaware of the fraud but takes responsibility and at other times saying the investigation was politically motivated.

Spokespeople for Thune, Cornyn and Scott didn't immediately respond to requests for comment.

Welcome to Monday's edition of Pro Health Care PM — and Happy Veterans Day! Send me your news tips at <u>sgardner@politico.com</u> and follow along at <u>@sophie_gardnerj</u>.

HEALTH INSURANCE

<u>CIGNA-HUMANA MERGER NOT TO BE</u> – Cigna said today it won't merge with rival Humana, POLITICO's Kelly Hooper reports.

After Bloomberg reported a few weeks ago that the health insurers had revived merger talks, Cigna said in a statement that the company expects to tell investors and analysts over the next few weeks that it "is not pursuing a combination with Humana."

"The Cigna Group remains committed to its established M&A criteria and would only consider acquisitions that are strategically aligned, financially attractive and have a high probability to close," the company said in the statement.

— Why it matters: A Cigna and Humana merger would have created a health care powerhouse big enough to rival UnitedHealth Group. Humana is the second-largest Medicare Advantage insurer, and both companies are large players in the pharmacy benefit manager space.

A potential deal would have had difficulty overcoming antitrust enforcement in the Biden administration — which has closely scrutinized health care mergers — but President-elect Donald Trump's stance on antitrust regulation could have smoothed the path to a deal.

The merger talks come to a close at a crucial moment for Humana and the Medicare Advantage market at large, as insurers deal with downgraded plan quality ratings, changes to risk-adjusted payments and higher-than-expected medical costs among older adults in the privately run alternative to Medicare. The changes have led Humana and other insurers to scale back supplemental benefits for 2025 and pull out of dozens of counties.

— **Background:** Cigna first warned that prospects of a deal were dimming in late October during the company's third-quarter earnings call. CEO David Cordani noted the recent financial struggles Medicare Advantage insurers have faced and said the company will continue to use "excess free cash flow" to repurchase shares.