Impact Health Policy Weekly

The House and Senate are both in session for a busy week as the Senate starts work on a budget resolution and RFK's nomination to be Secretary of HHS is expected to come to the Senate floor for a vote.

Budget Resolution: On <u>Wednesday</u> and <u>Thursday</u> the Senate Budget Committee will meet mark up the Fiscal Year 2025 budget resolution. The <u>proposal</u> released last week will provide \$340 billion in new funding for border security and DOD over four years, as well as energy policy changes, all of which will be offset by yet to be determined spending cuts (<u>tables/summary</u>). The proposal requires the Senate Finance Committee to produce at least \$1 billion in savings, much of which is expected to come from Medicaid work requirements and other cuts to the program. This budget package is expected to be the first, and smaller, of two reconciliation packages produced by the Senate. Senate Budget Committee Chairman Lindsay Graham (R-SC) and Senate leadership are focused on moving the first package focused on policy priorities and leaving the President's tax cut extension for a second package.

Meanwhile, the House Budget Committee was expected to also meet this week but is looking like they will postpone their markup yet again. House Republicans continue to debate the scope and size of their package. House Speaker Mike Johnson (R-LA) and House Budget Committee Chair Jodey Arrington (R-TX) remain committed to moving one large package, rather than two. The House Leadership has agreed to cut spending by \$2-\$2.5 trillion, which would require deep cuts to Medicaid, and other safety net programs. Speaker Johnson continues to have a difficult time threading the needle between the conservative faction of the party that is pushing bigger and deeper cuts, and the more moderate faction that represent swing districts that do not support the cost these cuts will have on the American people.

FY 2025 Spending Bill: We are down to just over four weeks before the FY 2025 Continuing Resolution expires. While the Appropriations Committee leadership continues to meet, there is still no agreement between the House and Senate Republicans on a topline spending amount, much less between the two parties. The spending bill will require bipartisan support to pass, and increasingly Democrats are weary of providing Republicans the votes necessary to keep the government in operation without some kind of assurance that President Trump and his Administration will abide by the law. Following two weeks of drastic, and likely illegal, actions by President Trump and special government employee Elon Musk that ignore the specific allocations of funding appropriated by Congress, Democrats have lost trust that a FY 2025 bill will be enforced as written by the new Administration.

President Trump's Cabinet: The Senate will continue to use floor time this week to confirm President Trump's cabinet. They are teed up to hold confirmation votes for Tulsi Gabbard to serve as the director of national intelligence, Robert F. Kennedy, Jr. for HHS secretary, Howard Lutnick for Commerce Secretary, Brooke Rollins for Agriculture secretary and Kelly Loeffler to lead the Small Business Administration.

Hearings and Markups:

<u>Ways and Means Committee:</u> On Tuesday the House Ways and Means Health Subcommittee will hold a <u>hearing</u> to examine ways to modernize American health care, focusing on ways to promote healthy living with more options, greater flexibility, and better incentives for patients.

<u>Oversight and Government Reform:</u> On Tuesday the House Oversight and Government Reform Subcommittee on Health Care and Financial Services will hold a <u>hearing</u> to examine the expansion of welfare programs and evaluate strategies to reform deficiencies in the welfare system.

On Wednesday The House Oversight and Government Reform Subcommittee on Delivering Government Efficiency (DOGE) will hold a <u>hearing</u> to examine how Congress can assist the President in the effort to address waste, improper payments, and fraud, including by auditing outdated federal payment systems.

Regulatory Update

The Office of Management and Budget (OMB) is not reviewing any health-related rules, likely due to the <u>regulatory freeze</u>. It remains to be seen how the latest <u>Executive Order</u> mandating that each department or agency repeal at least 10 existing regulations for every new proposed rule. This directive is far significantly more aggressive than a similar EO issued during the first Trump Administration, which required the repeal of at least two existing regulations for each new proposed rule.

This Week in Health Policy

Mon. (2/10)

12:00pm – KFF Discussion: ACA Outlook_— The Kaiser Family Foundation (KFF) holds a
discussion with policy experts on the future of the Affordable Care Act (ACA), including the costs
and benefits of the subsidies, the consequences for enrollees and the marketplaces should they
expire at the end of this year, and what other changes the Trump administration and Congress
might make. Details.

Tue. (2/11)

- 10:00am Hearing: Regulatory and Administrative Law Reform The House Judiciary Subcommittee on the Administrative State, Regulatory Reform, and Antitrust holds a hearing titled: "Reining in the Administrative State: Regulatory and Administrative Law Reform," Details.
- 11:00am NIH Meeting: Minority Health/Health Disparities The National Institutes of Health (NIH) holds a meeting of the National Institute on Minority Health and Health Disparities to discuss program updates. Details.
- 1:30pm Hearing: Welfare Reform The House Oversight and Government Reform
 Subcommittee on Health Care and Financial Services holds a hearing to examine the expansion
 of welfare programs and evaluate strategies to reform deficiencies in the welfare system. <u>Details</u>.
- **2:00pm Hearing: Modernizing American Health Care** The House Ways and Means Health Subcommittee holds a hearing to examine ways to modernize American health care, focusing on ways to promote healthy living with more options, greater flexibility, and better incentives for patients. <u>Details</u>.

Wed. (2/12)

- 9:00am Cato Discussion: Health Reform The Cato Institute holds a discussion with policy experts on meaningful and potentially bipartisan reforms to the U.S. health care system, including opportunities to eliminate excessive spending in Medicare and Medicaid. <u>Details</u>.
- 10:00am Markup: Senate FY 2025 Budget Resolution The Senate Budget Committee holds Day 1 of a markup to consider the Fiscal Year (FY) 2025 Budget Resolution. Details.
- 10:00am Brookings Discussion: Budget The Brookings Institution holds a discussion to examine the channels through which the federal debt affects the economy and assess the likelihood of a fiscal crisis, and how political missteps could increase that risk. Details.
- 10:00am Hearing: Secretary of Labor Nomination The Senate Health, Education, Labor, and Pensions holds a hearing to examine the nomination of Lori Chavez-DeRemer to be Secretary of Labor. <u>Details</u>.
- 10:00am Hearing: Eliminating Improper Payments and Fraud The House Oversight and Government Reform Subcommittee on Delivering Government Efficiency (DOGE) holds a hearing to examine how Congress can assist the President in the effort to address waste, improper payments, and fraud, including by auditing outdated federal payment systems. <u>Details</u>.
- **2:15pm Hearing: VA Community Care** The House Veterans' Affairs Subcommittee on Health Oversight holds a hearing titled: "Roles and Responsibilities: Evaluating VA Community Care." Details.
- 3:30pm Hearing: Optimizing Longevity The Senate Special Committee on Aging holds a
 hearing titled: "Optimizing Longevity: From Research to Action." Details.

Thurs. (2/13)

- 9:00am Markup: FBI Director Nomination The Senate Judiciary Committee holds a markup to
 consider the nomination of Kashyap Patel to be Director of the Federal Bureau of Investigation
 (FBI), Department of Justice. <u>Details</u>.
- 9:45pm Brookings Discussion: Outlook for Retirement Security The Brookings Institution
 holds a discussion to examine the outlook for retirement security, focusing on Congress'
 immediate priorities and objectives for long-term reform regarding Social Security, Medicate, and
 private retirement savings. Details.
- 10:00am Markup: Senate FY 2025 Budget Resolution The Senate Budget Committee holds
 Day 2 of a markup to consider the Fiscal Year (FY) 2025 Budget Resolution. <u>Details</u>.
- 10:00am Hearing: Secretary of Education Nomination The Senate Health, Education, Labor, and Pensions holds a hearing to examine the nomination of Linda McMahon to be Secretary of Education. <u>Details</u>.
- 10:00am Hearing: Foreign Aid Oversight The Senate Homeland Security and Governmental Affairs Committee holds a hearing titled: "Eliminating Waste by the Foreign Aid Bureaucracy."

 Details.

Featured Analysis

- Impact Overview of President Trump's Day One EO In Policy Hub Insight Bank here.
- Impact Memo on Health-Related Staff Picks for the Second Trump Administration In Policy
 Hub Insight Bank here.
- Policy Round-Up: CBO, GAO Reports on ACA Premium Tax Credits; DACA Marketplace Eligibility – Available here.
- Impact Budget Reconciliation Primer In Policy Hub Insight Bank here.
- Impact Medicaid Outlook: Threats and Opportunities In the Policy Hub Insight Bank here.
- Insights for Impact: the 340B Drug Pricing Program

 In the Policy Hub Insight Bank here.

Congressional Lookback

Wed. (2/5)

• The House Committee on Oversight and Government Reform convened a hearing on "rightsizing" the federal government, focusing on efforts to eliminate waste and improve efficiency. Details.

Tues. (2/4)

• The SFC <u>voted</u> 14-13 along party lines to advance Robert F. Kennedy Jr.'s nomination for Secretary of HHS to the full Senate. <u>Details</u>.

Regulatory Lookback

Thurs. (2/6)

• The CBO released the <u>budget and economic outlook</u> for 2025 to 2035. <u>Details</u>.

Comment & Application Deadlines

- February 10: CMS announced the <u>Advance Notice of Methodological Changes for Contract Year</u>
 (CY) 2026 for Medicare Advantage (MA) Capitation Rates and Part C and Part D Payment
 Policies (press release, fact sheet) and the <u>Draft CY 2026 Part D Redesign Program Instructions</u>..
 <u>Details</u>.
- February 25: CMMI released an RFA for the Cell and Gene Therapy Access Model. <u>Details</u>.
- **February 25**: CMMI released a <u>NOFO</u> to apply for Cooperative Agreement funding to support states' participation in the Cell and Gene Therapy (CGT) Access Model. <u>Details</u>.
- March 7: HHS OCR issued a <u>proposed rule</u> to update the HIPAA Security Rule to enhance cybersecurity protections. <u>Details</u>.



- March 10: The FDA released <u>draft guidance</u> on accelerated approval and considerations for determining whether a confirmatory trial is underway. <u>Details</u>.
- March 15: The DEA issued a <u>proposed rule</u> that would establish a new special registration for the prescription of a controlled substance via telemedicine. <u>Details</u>.
- April 7: The FDA issued <u>draft guidance</u> on considerations for the use of artificial intelligence (AI) to support regulatory decision-making for drug and biological products. <u>Details</u>.
- April 7: The FDA released <u>draft guidance</u> on artificial intelligence (AI)-enabled device software functions (AI-DSFs): lifecycle management and marketing submission recommendations.
 Details.
- **July 1:** The CDC <u>seeking nominations</u> for membership on the Clinical Laboratory Improvement Advisory Committee (CLIAC). <u>Details</u>.