Impact Health Policy Weekly

Congress is in recess for one more week before it resumes on April 28th and begins in earnest its reconciliation work. The House Energy and Commerce Committee is expected to mark up its portion of the package, including any Medicaid provisions, on May 7th. House Republican leadership is also tentatively planning a vote on President Trump's recission package, which includes \$9.3 billion in cuts to the State Department, NPR, and PBS, the week of May 5th.

Leaked HHS Budget

Last week, a pre-decision version of the Department of Health and Human Services (HHS) 2026 Discretionary Budget Passback was leaked by several news outlets. While not official, it provides a first-look at potential HHS priorities under the Trump Administration. Highlights from the leaked budget include the following:

- <u>Budget cuts:</u> The proposed budget includes cutting the HHS budget by \$40 billion. The National Institutes of Health (NIH) budget would be cut by 40 percent, and the Food and Drug Administration (FDA) budget would be cut by 18.6 percent, but would maintain user fees.
- Agencies and programs to be eliminated: The Health Resources Services Administration (HRSA), the Administration for Community Living (ACL), the Substance Abuse and Mental Health Services Administration, the Agency for Healthcare Research and Quality (AHRQ) and the Administration for Strategic Preparedness and Response (ASPR) would be eliminated and some components of these would be absorbed into the Administration for a Healthy America (AHA). Additionally, leaked budget would also eliminate the following programs across HHS:
 - Maternal and child health programs: autism and other disorders, healthy start, newborn screening for heritable disorders, sickle cell service demonstrations, universal newborn hearing screening, teen pregnancy prevention (TPP) program, the Office of Population affairs, and embryo adoption awareness campaign.
 - Mental health programs: crisis response grants and certified community behavioral health centers.
 - HRSA, CDC, and OASH programs: rural hospital flexibility grants, state office of rural health, rural residency development program, at-risk rural hospitals program grants, family planning, Hansen's disease facilities, youth violence prevention, adverse childhood experiences (ACEs), firearm injury and mortality prevention research, traumatic brain injury, drowning, elderly falls, other injury prevention activities, and injury control research centers.

April 19th Deregulatory Deadline

Pursuant to President Trump's Executive Order (EO) "<u>Unleashing Prosperity Through Deregulation</u>" agencies were required to submit their deregulatory plans to the Office of Management and Budget (OMB) by April 19th. A recent <u>presidential memo</u> further stated that agencies could begin repealing any unlawful regulation without notice-and-comment requirements and to complete a review of such regulations also by April 19th. Other deregulatory actions include the following:



- OMB request for information (RFI) on federal regulations that are unnecessary, outdated, or excessively burdensome (<u>Impact Health summary</u>). Comments are due May 12.
- DOJ RFI on laws and regulations that stifle competition in sectors like housing and health care (Impact Health summary). Comments are due May 26.
- CMS RFI on opportunities to streamline Medicare regulations and reduce administrative burdens for providers and plans (Impact Health summary). Comments are due June 10.

Braidwood Management vs Kennedy

Today, the Supreme Court of the United States will hear Braidwood Management's challenge against the U.S. Preventive Services Task Force (USPSTF) recommended preventive services coverage requirement under the Affordable Care Act (ACA). The Supreme Court is narrowly considering whether the USPSTF violates the Constitution's Appointments Clause. The Trump Administration is continuing with the Biden Administration defense, stating that the USPSTF is under the authority of the HHS Secretary, who can appoint and remove task members at will, and create regulations to approve recommendations before becoming required for insurers. If the Supreme Court rules in favor of Braidwood, private insurers would no longer be required to cover USPSTF-recommended services at no cost sharing. Additional details on the case can be found here.

Regulatory Update

The Office of Management and Budget is reviewing a <u>proposed rule</u> titled, "Preserving Medicaid Funding for Vulnerable Populations – Closing a Health Care-Related Tax Loophole."

Additionally, CMS is seeking public <u>comment</u> on plans to update the State Plan Amendment template to reflect that the medication assisted treatment Medicaid benefit was made permanent under the Consolidated Appropriations Act, 2024 (CAA, 2024). Comments are due on April 30th, 2025.

This Week in Health Policy

Mon. (4/21)

• Supreme Court Oral Arguments: ACA Preventive Services – The Supreme Court will hear oral arguments in Kennedy v. Braidwood Management. In this case, Braidwood Management, Christian owned businesses and six individuals in Texas, have challenged the Affordable Care Act's (ACA) requirement to cover preventive services. Details.

Tue. (4/22)

1:00pm – NIH Meeting: Aging Council Director Report – The National Institutes of Health (NIH)
holds a meeting of the National Advisory Council on Aging for reports from NCA Director Ramsey
Alwin and the working group and council business. Details.

Wed. (4/23)

• 10:30am – CAP Discussion: Removal of Independent Agency Leaders – The Center for American Progress holds a panel discussion featuring three independent agency leaders whom President

Trump has unlawfully tried to remove; Charlotte Burrows, Commissioner at the Equal Employment Opportunity Commission; Travis LeBlanc, Board member of the Privacy and Civil Liberties Oversight Board; and Federal Trade Commission Commissioner Alvaro Bedoya. <u>Details</u>.

• 2:00pm – TFAH Congressional Briefing: Public Health – The Trust for America's Health (TFAH) holds a congressional briefing on its report "Ready or Not 2025: Protecting the Public's Health from Diseases, Disasters, and Bioterrorism," which includes recommendations for improving emergency preparedness, such as reauthorizing the Pandemic and All-Hazards Preparedness Act (PAHPA). Details.

Thurs. (4/24)

 4:00pm – NIH Meeting: Diabetes and Kidney Disease Research – NIH holds a meeting of the National Diabetes and Digestive and Kidney Diseases Advisory Council to discuss program updates and grant applications. <u>Details</u>.

Featured Analysis

- Impact Update on HHS RIF and Reorganization In Policy Hub Insight Bank here.
- Impact Memo on Potential Budget Reconciliation Spending Cuts: Medicaid, ACA, Immigration,
 Commercial Insurance and More Available here.
- Insights for Impact: Federal Nutrition Programs In Policy Hub Insight Bank here.
- Litigation Tracker: Monitoring Legal Challenges to Trump-Vance Executive Actions In Policy
 Hub Insight Bank here.
- Impact Overview of President Trump's Day One EO In Policy Hub Insight Bank here.

Congressional Lookback

Mon. (4/14)

• Twelve Republican House members <u>sent a letter</u> to House Republican leadership regarding Medicaid cuts that are being considered in the Budget Reconciliation process. <u>Details</u>.

Regulatory Lookback

Thurs. (4/17)

• NIST released the Initial Public Draft (IPD) <u>update</u> of the Privacy Framework Version 1.1, a voluntary guidance tool aimed at helping organizations identify and manage privacy risks. Comments are due June 13. <u>Details</u>.

Wed. (4/16)

• **President Trump** issued <u>executive order</u> aimed at various components of the prescription drug supply chain. <u>Details</u>.

- **HHS** announced <u>new actions</u> to protect whistleblowers who report concerns regarding the use of chemical and surgical gender-transition procedures on minors. <u>Details</u>.
- Hawaii posted documents detailing Version 3.0 of the CMS-Designed Medicare Fee-For-Service (FFS) Hospital Global Budget (HGB) <u>Financial Specifications</u> for AHEAD Model participation. <u>Details</u>.

Tues. (4/15)

• **President Trump** issued a <u>Presidential Memorandum</u> titled "Directing the Repeal of Unlawful Regulations." <u>Details</u>.

Mon. (4/14)

- CMS released the FY 2026 IPF PPS proposed rule. Comments are due June 10. <u>Details</u>.
- CMS released the FY 2026 IRF PPS proposed rule. Comments are due June 10. Details.
- **CMS** released the FY 2026 Hospice Payment Rate Update <u>proposed rule</u>. Comments are due June 10. <u>Details</u>.

Comment & Application Deadlines

- May 11: The OMB issued an RFI inviting the public to submit suggestions for eliminating or revising federal regulations that are considered unnecessary, outdated, or burdensome. <u>Details</u>.
- June 10: CMS released the FY 2026 IPPS and LTCH PPS proposed rule. Details.
- June 10: CMS released the FY 2026 IPF PPS proposed rule. Details.
- June 10: CMS released the FY 2026 IRF PPS proposed rule. Details.
- June 10: CMS released the FY 2026 Hospice Payment Rate Update proposed rule. Details.
- June 13: NIST released the Initial Public Draft (IPD) update of the Privacy Framework Version 1.1,
 a voluntary guidance tool aimed at helping organizations identify and manage privacy risks.

 <u>Details</u>.
- **July 1:** The CDC <u>seeking nominations</u> for membership on the Clinical Laboratory Improvement Advisory Committee (CLIAC). <u>Details</u>.