



# Civitas Public Policy Briefing

Troutman Strategies

*Thursday, March 27 – 2:00pm*



# Agenda

- **Civitas & Troutman Strategies: Welcome & Updates**
  - *Jolie Ritzo, VP of Strategy and Network Engagement, Civitas Networks for Health*
  - *Lindsay Austin, Principal, Troutman Strategies*
  - *Christopher W. Baxter, Senior Manager, Federal Affairs, Troutman Strategies*
- **Public Policy Briefing Overview and Presentation**
- **Q&A with Civitas Members**



# Civitas Updates

# Upcoming Events

- [American Public Health Association Annual Meeting Call for Abstracts](#) – Due by March 28
- [PointClickCare Summit](#) | March 31-April 2, Las Vegas, NV
  - *Lisa Bari will be moderating a panel with PointClickCare and Kno2 on April 2 at 4:15 p.m. PT*
  - *Civitas is hosting a member-only coffee meetup at the Summit on April 2 from 1-1:45 p.m. PT*
- [Collaboratives in Action: Bridging Health Care and Community](#) | April 10, 3-4 p.m. ET
- [Partnership for Advancing Community Health \(PACH\) 2025 Conference: Convene, Connect and Innovate](#) | April 10-11, Cincinnati, OH
- [Medicaid Enterprise Systems Community Call for Abstracts](#) – Due by April 11
- [Civitas Network News](#) | April 16, 1-2 p.m. ET
- [CRISP Annual Summit](#) | May 13

# Your Civitas GR Team



Lindsay Austin – Principal, Troutman Strategies



Chris Baxter – Senior Manager, Troutman Strategies



Lisa Bari – CEO, Civitas Networks for Health



Jolie Ritzo – VP of Strategy and Network Engagement, Civitas Networks for Health



Alan Katz – Associate Director of Advocacy and Public Policy, Civitas Networks for Health



# Agenda

- State of Congress
- Nominations Update
- Budget Reconciliation
- Congressional Healthcare Activity
- Agency & Regulatory Activity

# State of Congress – House

- **119<sup>th</sup> Congress:** 218 Rs to 213 Ds + 4 vacancies
  - Matt Gaetz (R-FL) – resigned effective 11/13/2024
  - Mike Waltz (R-FL) – confirmed national security advisor and resigned 1/20/2025
  - Sylvester Turner (D-TX) – passed away 3/5/2025
  - Raul Grijalva (D-AZ) – passed away 3/13/2025
- **Special elections:** FL on 4/1/2025, AZ on 9/23/2025, TX is TBD
- After FL elections, Elise Stefanik (R-NY) will get a vote to be U.N. Ambassador
- Slim majorities will continue to challenge House leadership, so far so good



# State of Congress – Senate

- **119th Congress:** 53 Rs to 47 Ds
- John Thune (R-SD) new leader in 119<sup>th</sup> Congress
- 2025 activity focused on confirming nominees, budget reconciliation, alignment with Trump
- Sens McConnell (R-KY), Peters (D-MI), Shaheen (D-NH), and Smith (D-MN) retiring
- 33 Senators up for reelection in 2026
  - 22 Rs and 11 Ds



# Committee Changes – New Members

## House E&C Committee

- **Republicans:** Cliff Bentz (OR-2), Gabe Evans (CO-8), Julie Fedorchak (ND-AL), Russell Fry (SC-7), Craig Goldman (TX-12), Erin Houchin (IN-9), Tom Kean (NJ-7), Nick Langworthy (NY-23), Laurel Lee (FL-15), and Mike Rulli (OH-6)
- **Democrats:** Jake Auchincloss (MA-4), Troy Carter (LA-2), Greg Landsman (OH-1), Jennifer McClellan (VA-4), Kevin Mullin (CA-15), and Alexandria Ocasio-Cortez (NY-14)

## House W&M Committee

- **Republicans:** Nathaniel Moran (TX-1), Rudy Yakym (IN-2), Max Miller (OH-7), and Aaron Bean (FL-7)
- **Democrats:** Brendan Boyle (PA-2), Stacy Plaskett (U.S.V.I.), and Tom Suozzi (NY-3)

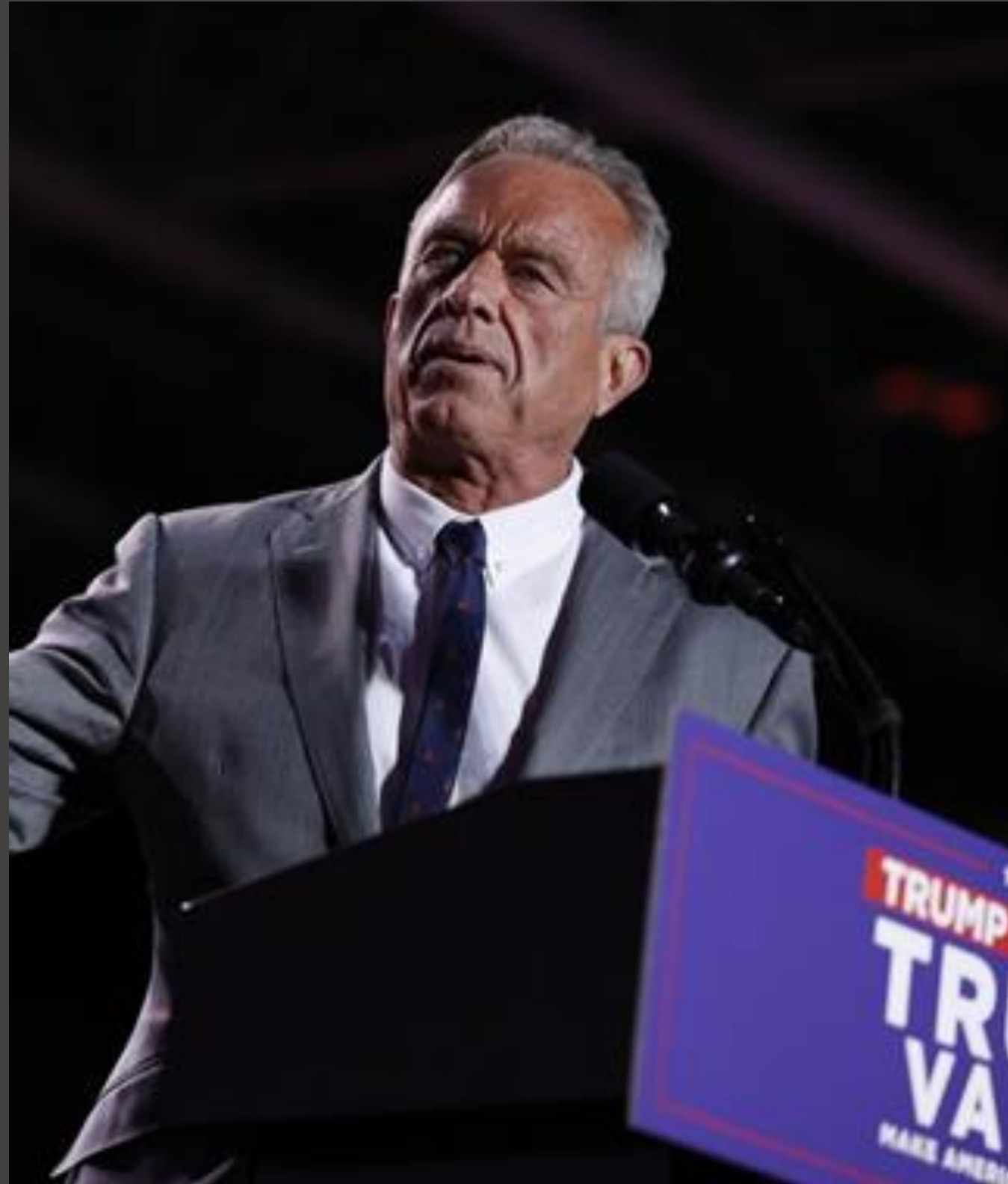
## Senate HELP Committee

- **Republicans:** Marsha Blackburn (TN), Mike Crapo (ID) and Josh Hawley (MO)
- **Democrats:** Angela Alsobrooks (MD), Lisa Blunt Rochester (DE), and Andy Kim (NJ)

## Senate Finance Committee

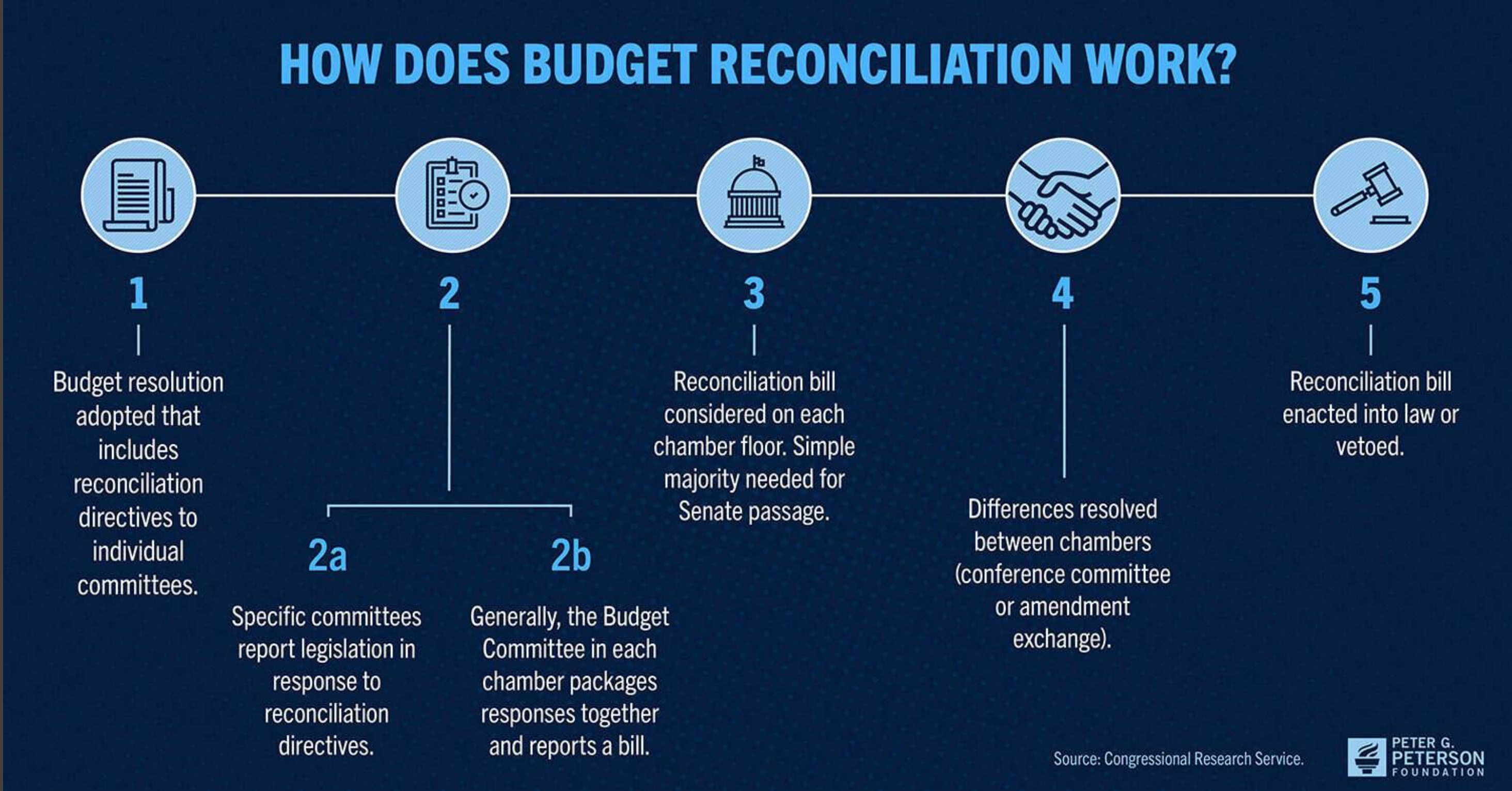
- **Republicans:** Roger Marshall (KS)
- **Democrats:** Bernie Sanders (VT), Tina Smith (MN), Ben Ray Lujan (NM), Raphael Warnock (GA), and Peter Welch (VT)

# Nominations Update



- **HHS Secretary** – Robert F. Kennedy Jr, confirmed on 2/13
- **CMS Administrator** – Dr. Mehmet Oz, hearing 3/14, nomination advanced by Senate Finance 3/25, pending full Senate vote
- **FDA Commissioner** – Dr. Marty Makary, HELP Committee confirmed 3/14, Senate confirmed 3/25
- **NIH Director** – Dr. Jay Bhattacharya, HELP Committee confirmed 3/14, Senate confirmed 3/25
- **CDC Director** – Rep. Dave Weldon (R-FL), nomination withdrawn on 3/14, Susan Monarez Acting Director, announced 3/24, former ARPA-H
- **ASTP/ONC** – Steve Posnack, acting assistant secretary as of 3/3
- **Other pending nominees:**
  - Jim O’Neill for HHS deputy secretary
  - Michael Stuart for general counsel
  - Gary Andres for assistant secretary for legislation
  - Janette Nesheiwat for surgeon general

# Budget Reconciliation – Process



# Budget Reconciliation – Overview

## Timeline:

- House GOP frustrated with Senate's slow pace
- Senate GOP divided on spending cut target, cuts to Medicaid and SNAP
- Leadership meeting this week to address differences
- Goal to pass a resolution by April 11, but final compromise unlikely before summer
- Trump wants debt ceiling included and could be breached by mid-July
- Current Law vs Policy Baseline; makes costly legislation appear less impactful on the deficit by treating it as already accounted for (decided by Senate parliamentarian)

## House vs. Senate (over 10 years)

- House calls for \$2.8 trillion net deficit increase
  - \$1.7 in net spending cuts and \$4.5 trillion for tax cuts (with room for adjustments)
  - The House's versions calls for the E&C Committee to make \$880 billion in changes over 10 years
- Senate's "skinny" budget resolution calls for \$517 billion net deficit increase
  - \$325 billion in new military and border security spending plus energy policy changes

# Budget Reconciliation – Health Policy

*To pay for budget reconciliation, significant changes to Medicaid and Medicare policies and other cost offsets must be made*

*Any specific impacts of federal changes to Medicaid spending will vary state-by-state, this may receive Governor push back*

## **Medicare:**

- Reducing payments for unpaid medical bills and ensuring equal payment rates regardless of where care is provided

## • **Medicaid:**

- Potential block grant or make the federal match rate equal across states (may only target Medicaid expansion population)
- Installing work requirements (\$109 billion), eligibility checks (\$160 billion), and limiting provider taxes that help fund the state Medicaid programs (gutting completely could save \$612 billion, but not politically feasible)
  - Lawmakers argue states inflate Medicaid costs by kicking back the taxes to providers and insurers through higher payment rates
- Cap matching funds across all administrative expense categories at 50%, which would end the 90/10 and 75/25 enhanced reimbursement for Medicaid Management Information System (MMIS) and Medicaid Enterprise System (MES) services would have severe impacts across Civitas' membership.

# Health Care Activity – FY25 Appropriations

## Continuing Resolution (CR)

- Congress passed mostly along party lines on March 14, funding the government through Sept. 30
  - Questions about Schumer approach and Dem messaging on shutdown
- CR includes increase for defense and decrease in total non-defense funding
- Does not include any FY25 earmarks

## Health Policy

- Extends several Medicare programs through Sept. 30
- Suspends cuts to DSH
- Extends Medicare coverage of telehealth services through Sept. 30
- Extends several other health programs through Sept. 30

## Health Funding Provisions

- \$280 million reduction in NIH's innovation account
- \$26 million increase for CMS' fraud and abuse control account
- \$1.5 billion rescission from HHS' nonrecurring expenses fund
- \$890.8 million elimination of FY24 earmarks for construction and renovation of health care facilities and training grants through HRSA
- \$2.1 billion from April 1 through Sept. 30 for the Community Health Center Fund (current funding expires March 31)

# Health Care Activity – FY26 Appropriations

- PBR likely delayed to April or May; request is often delayed when there's a new administration
- Delayed PBR will push back appropriators' plans to write FY26 spending bills
- House Appropriations Chairman Tom Cole (R-OK) said in February he wants to start markups in late April; likely to tackle smaller bills first
- No spending caps in place for FY26; limits under 2023 debt-limit deal applied only through FY25
- Republicans seeking to codify DOGE cuts in FY26 appropriations process



# Potential Funding Obstacles

## Sequestration

- 2023 debt limit deal required automatic 1% spending cut if stopgap measure in place by April 30 (not applicable after FY25)
- Lawmakers are treating the CR as a regular appropriations bill, and the WH won't order sequestration

## Impoundment

- Trump admin may seek to withhold funding that was appropriated by Congress
- Arguably unconstitutional; Democrats will challenge in court

## DOGE

- Democrats wanted language in CR to rein in Elon Musk-led efforts to slash funding
- Trump admin may seek vote to codify DOGE cuts through rescissions package that Congress could consider through expedited process

## Debt Ceiling

- Fiscal conservatives may still challenge federal funding bills if tied to debt limit or ceiling increases
- Suspension or increase needed by summer (mid-July to October)



# Health Care Package

- **PAHPA** – included several extensions and authorizations for expired programs
- **PBM reforms** – included patent limits, rebate reform, and a ban on spread pricing
- **Medicare doc fix** – mitigated 2.5% of the 2.83% cut set to take place in 2025
- **Telehealth** – included a 2-year extension
- **SUPPORT Act** – included an extension through FY29
- Dozes of other health care programs, extensions, and amendments

# AGENCY & REGULATORY ACTIVITY – EXECUTIVE ORDERS

## Healthcare Price Transparency

- On Feb. 25, President Trump signed an EO boosting enforcement of rules requiring hospitals and health plans to post detailed pricing information online, with consumer-friendly elements to help patients shop for care

## Make America Healthy Again Commission

- On Feb. 13, Trump signed an EO aimed at addressing the growing health crisis in America by reducing chronic disease rates and improving overall health, especially among children
- Directs the NIH and other federally funded health-related research should focus on the root causes of chronic diseases
- HHS Secretary will chair the commission comprised of several other federal officials

## March 20 EO – “Stopping Waste, Fraud, and Abuse by Eliminating Information Silos”

### Day 1 Activity

- Upon taking office, President Trump rescinded more 78 EOs and issued over 40 of his own EOs and proclamations, including rescinding:
  - Two EOs from 2021 expanding the ACA enrollment periods and state Medicaid coverage
  - Biden’s EO directing Medicare’s innovation center to test ways to lower drug costs
  - Multiple Biden EOs on Covid-19 response
  - Biden’s EO regulating A.I., which required companies to share safety test results with the federal government

# Agency & Regulatory Activity – Other

## ASTP/ONC Reorganization

- On 3/14, HHS published a notice in the FR creating a new division – Civil Rights, Privacy and Emerging Technology Division – within the OGC
- Division will provide legal support to the OCR and the ASTP/ONC
- Previously, ASTP/ONC was advised by the same division as the CMS
- ASTP/ONC may be realigned under CMS

## Agency Staffing

- A March 17 court filing said HHS distributed 3,248 termination notices out of 8,466 probationary employees along with 2,537 on admin leave through March 14
- A court order required all employees to be reinstated by March 17

## Richardson Waiver

- HHS will abandon the waiver (adopted in 1971) that allowed for notice-and-comment rulemaking despite an exemption in the APA for “rules and regulations relating to public property, loans, grants, benefits, or contracts”

# Agency & Regulatory Activity – Status of Key Regulations

AGENCY	Regulation	RIN	STATUS
ACF	<b>Standards for Data Exchange (Civitas submitted comments)</b>	0970-AC58	NPRM expected March 2025
ASTP/ONC	<b>HTI-2 Final Rule – “Health Data, Technology, and Interoperability: Trusted Exchange Framework and Common Agreement (“TEFCA”)</b>	0955-AA07	Rule finalized 12/16/2024
ASTP/ONC	<b>HTI-3 Final Rule – “Health Data, Technology, and Interoperability: Protecting Care Access”</b>	0955-AA06	Rule finalized 12/17/2024
ASTP/ONC	<b>HTI: Patient Engagement, Information Sharing, and Public Health Interoperability</b>	0955-AA08	Final rule expected March 2025, not currently under OMB review
ASTP/ONC	<b>RFI Regarding Electronic Prior Authorization in the ONC Health IT Certification Program</b>	0955-AA04	Final rule expected March 2025 to be merged with 0955-AA08
CMS	<b>Interoperability Standards and Prior Authorization for Drugs (CMS-0062)</b>	0938-AV44	NPRM expected March 2025
OCR	<b>Proposed Modifications to the HIPAA Security Rule to Strengthen the Cybersecurity of Electronic Protected Health Information</b>	0945-AA22	Proposed rule issued Dec. 2024

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