



Health Policy Briefing

January 20, 2025

Inauguration Day Moved Indoors

Monday’s inauguration of President Donald Trump has been moved indoors due to the dangerously cold temperatures forecast for Washington, D.C. “I have ordered the Inauguration Address, in addition to prayers and other speeches, to be delivered in the United States Capitol Rotunda, as was used by Ronald Reagan in 1985, also because of very cold weather,” Trump posted on Truth Social. “We will open Capital One Arena on Monday for LIVE viewing of this Historic event, and to host the Presidential Parade. I will join the crowd at Capital One, after my Swearing In,” he added. The inauguration ceremony will begin around 11:30 a.m. ET, with Trump’s swearing in expected to take place around noon.

E&C Organizes for the 119th Congress

The House Energy and Commerce Committee convened for the first time in the 119th Congress on Wednesday to hold an organizational meeting. During the meeting members adopted the [rules](#) of the committee and the six standing subcommittees. The panel’s health subcommittee will be chaired by Rep. Buddy Carter, BSPHarm (R-Ga.). Rep. Diana DeGette (D-Colo.) will serve as the Health Subcommittee Ranking Member. The full Republican roster can be found [here](#), and the Democratic roster can be found [here](#). During his opening statement, Committee Chairman Brett Guthrie (R-Ky.) highlighted a number of priorities for the panel in the coming year, including restoring trust in public health, lowering the cost of health care, increasing price transparency, strengthening innovation, improving oversight of the Medicare and Medicaid programs, and addressing the opioid epidemic.

Republicans on the Health Subcommittee also met last week to discuss potential health care related savings to offset the Trump administration’s domestic policy agenda and extension of the 2017 tax cuts through the budget reconciliation process. Pay-for options include changes to the Medicaid program, pharmacy benefit manager reform, elimination of enhanced Affordable Care Act premium

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subsidies, and site-neutral payment policy. The Energy and Commerce Committee is expected to be given a significant spending-reduction target during the budget reconciliation process given its policy jurisdictions.

Foreign Relations Chair Calls into Question Future of PEPFAR

Chair of the Senate Foreign Relations Committee Jim Risch (R-Idaho) has released a statement calling for an investigation into the Centers for Disease Control and Prevention's (CDC) use of the President's Emergency Plan for AIDS Relief (PEPFAR) program funding. The CDC recently disclosed that PEPFAR funds were used to pay health workers who had performed at least 21 abortions in Mozambique. While the procedure is legal in Mozambique, the long-standing Helms Amendment prohibits any U.S. funding from being used to provide or promote abortion overseas. According to the CDC, the Mozambique government has refunded the \$4,100 in spending. "Those who have violated long-standing U.S. laws that protect life must be held accountable," Risch stated. "This violation means that the future of the PEPFAR program is certainly in jeopardy. I will not support one dollar of American money going towards abortion anywhere in the world, and I will do all I can to ensure this never happens again." PEPFAR's current authorization is set to expire in March.

OH Lieutenant Governor to Fill VP's Senate Seat

Ohio Governor Mike DeWine (R) has tapped his lieutenant governor Jon Husted (R) to temporarily fill the seat of Vice President-elect JD Vance in the U.S. Senate. A special election will be held in November 2026 to decide who will serve the remainder of Vance's term through the end of 2028. Husted is a former state senator who previously served as Ohio's secretary of state from 2011 to 2019.

MedPAC Votes on 2026 Payment Update Recommendations

The Medicare Payment Advisory Commission (MedPAC) voted last week to recommend a Medicare payment increase for physicians in 2026. The commission recommends that for calendar year 2026, Congress should replace the current-law updates to Medicare payment rates for physician and other health professional services with a single update equal to the projected increase in the Medicare Economic Index minus one percentage point, and establish safety-net add-on payments under the physician fee schedule for services delivered to low-income Medicare beneficiaries. MedPAC estimates that these changes would increase Medicare spending between \$10 billion and \$25 billion over five years. The commission also made 2026 payment update recommendations for hospital inpatient and outpatient services, skilled nursing facility services, home health agency services, inpatient rehabilitation facility services, outpatient dialysis services, and hospice services. MedPAC's final recommendations will be included in the commission's March 2025 report to Congress.

DEA Proposes Special Registration for Telemedicine Prescribing

The Drug Enforcement Administration (DEA) released a [proposed rule](#) entitled *Special Registrations for Telemedicine and Limited State Telemedicine Registrations* last week. The regulation proposes a special registration process for providers seeking to prescribe controlled substances virtually. It would establish three special registrations, depending on the type of practitioner or online platform seeking to prescribe or dispense controlled substances via telemedicine without an in-person patient visit. It would also require prescribers to do a comprehensive check of prescription drug monitoring programs across all 50 states. Under the proposed rule, the DEA would provide states with a list of all registered providers. The DEA has extended COVID-era telehealth flexibilities three times to allow many controlled substances to be prescribed without an in-person visit. The flexibilities are currently set to expire at the end of this year. The proposed rule is open for public comment for 60 days. It remains unclear whether the incoming Trump administration will move forward with finalizing the proposal. President Trump has yet to announce a nominee to lead the DEA after Sheriff of Hillsborough County Chad Chronister withdrew his name from consideration. In addition to the proposed virtual prescribing regulation, the DEA also issued two final rules last week, the [first](#) regarding access to buprenorphine treatment via telemedicine encounter, and the [second](#) dealing with continuity of care via telemedicine for Veterans Affairs patients.

HHS Announces Next Round of Drug Price Negotiations

The U.S. Department of Health and Human Services (HHS) announced the next 15 drugs chosen for the Medicare drug price negotiation program on Friday. The list of drugs subject to the second round of price talks are:

- Ozempic; Rybelsus; Wegovy
- Trelegy Ellipta
- Xtandi
- Pomalyst
- Ibrance
- Ofev
- Linzess
- Calquence
- Austedo; Austedo XR
- Breo Ellipta
- Tradjenta
- Xifaxan
- Vraylar
- Janumet; Janumet XR
- Otezla

More than five million Medicare Part D beneficiaries used the chosen drugs between November 2023 and October 2024 according to HHS. The drugs represented approximately 14% of Part D spending – totaling \$41 billion in gross costs — during that time. That percentage increases to 36% of total gross covered Part D spending when paired with the 10 drugs included in the first cycle of HHS price negotiations. The drug's manufacturers have until February 28 to decide whether they will enter into negotiations with the government. Negotiations with participating drug companies for these 15 drugs will occur in 2025 and any negotiated prices will become effective in 2027. As established by the 2022 Inflation Reduction Act, HHS will select up to an additional 15 drugs for the third cycle of negotiation (including drugs covered under Part B and Part D), and up to 20 more drugs for each negotiation cycle after that.

FTC Releases Second PBM Report

The Federal Trade Commission (FTC) released an [interim report](#) last week examining how the nation's top pharmacy benefit managers (PBMs) mark up prices of specialty generic medications. The report specifically details how CVS Health, Cigna Group, and UnitedHealth Group generated more than \$7.3 billion in revenue over six years by charging significantly more than the national average acquisition cost for 51 specialty generic drugs. The report also found that the specialty pharmacies owned by the three PBMs account for nearly 70% of all U.S. specialty drug revenue. The interim report is the agency's second study of PBM contracting practices. According to the FTC, the reports have not been finalized due the PBMs' failure to provide information requested by the agency about their business practices. The FTC is currently preparing to file a lawsuit against the three companies for their refusal to comply with agency subpoenas.

USPSTF Adds Two Members

The U.S. Preventive Services Task Force (USPSTF) announced the addition of two new members last week. Alicia Fernandez, M.D. is a general internist, professor of medicine at the University of California, San Francisco (UCSF), associate dean of population health and health equity, and director of the UCSF Latinx Center of Excellence. Ericka Gibson, M.D., M.P.H. is a board-certified obstetrician-gynecologist with the Southeast Permanente Medical Group at Kaiser Permanente in Atlanta, Georgia and the physician program director for perinatal safety and quality. Their four-year terms begin this month.

More Health Professionals Weigh in on Kennedy Nomination

More than 700 physicians and public health experts have signed a [letter](#) to senators expressing opposition to the confirmation of Robert F. Kennedy Jr. as Secretary of HHS. The letter warns that the nominee's "unfounded, fringe beliefs" on vaccines, COVID-19, HIV, and fluoridation "could significantly undermine public health practices across the country and around the world." The letter was organized by Defend Public Health and Human Impact Partners. Kennedy has been on Capitol Hill in recent weeks meeting with members of both parties before his confirmation proceedings get underway; a spokesperson posted on X that Kennedy had completed his 50th Senate meeting on Thursday. Kennedy can only afford to lose three Senate GOP votes, assuming united Democratic opposition to his confirmation. No Senate Republicans have committed to opposing the HHS nominee. Hart Health Strategies Inc. continues to update its Trump Administration Personnel [document](#) to help you stay up to date with the latest additions to the new administration.

Upcoming Congressional Hearings and Markups

Senate Veterans' Affairs Committee hearing to examine the nomination of Douglas A. Collins to be Secretary of Veterans Affairs; 10:00 a.m.; January 21

Senate Health, Education, Labor, and Pensions (HELP) Committee organizational business meeting; 10:00 a.m.; January 21

House Veterans' Affairs Committee hearing "Restoring Focus: Putting Veterans First in Community Care;" 1:00 p.m.; January 22

Senate Veterans' Affairs Committee business meeting to consider the nomination of Douglas A. Collins to be Secretary of Veterans Affairs; 9:00 a.m.; January 23

House Appropriations Committee organizational meeting; 10:00 a.m.; January 23

Recently Introduced Health Legislation

S.Con.Res.4 — A concurrent resolution expressing support for the Geneva Consensus Declaration on Promoting Women's Health and Strengthening the Family and urging that the United States rejoin this historic declaration; Sponsor: Daines, Steve [Sen.-R-MT]; Committees: Senate - Foreign Relations

H.Con.Res.3 — Expressing support for the Geneva Consensus Declaration on Promoting Women's Health and Strengthening the Family and urging that the United States rejoin this historic declaration; Sponsor: Jackson, Ronny [Rep.-R-TX-13]; Committees: House - Foreign Affairs

H.R.340 — To direct the Secretary of Health and Human Services carry out activities to streamline regulatory oversight of human cell and tissue products, and for other purposes; Sponsor: Crenshaw, Dan [Rep.-R-TX-2]; Committees: House - Energy and Commerce

H.R.343 — To amend title X of the Public Health Service Act to prohibit family planning grants from being awarded to any entity that performs abortions, and for other purposes; Sponsor: Foxx, Virginia [Rep.-R-NC-5]; Committees: House - Energy and Commerce

S.92 — A bill to require Senate approval before the United States assumes any obligation under a WHO pandemic agreement and to suspend funding for the WHO until such agreement is ratified by the Senate; Sponsor: Barrasso, John [Sen.-R-WY]; Committees: Senate - Foreign Relations

H.R.392 — To amend the Internal Revenue Code of 1986 to create a tax credit for nurse preceptors; Sponsor: Kiggans, Jennifer A. [Rep.-R-VA-2]; Committees: House - Ways and Means

H.R.401 — To prohibit United States assessed and voluntary contributions to the World Health Organization; Sponsor: Roy, Chip [Rep.-R-TX-21]; Committees: House - Foreign Affairs

S.6 — A bill to amend title 18, United States Code, to prohibit a health care practitioner from failing to exercise the proper degree of care in the case of a child who survives an abortion or attempted abortion; Sponsor: Lankford, James [Sen.-R-OK]; Latest Action: Introduced in the Senate. Read the first time. Placed on Senate Legislative Calendar under Read the First Time.

H.R.438 — To authorize the Secretary of Veterans Affairs to make grants to State and local entities to carry out peer-to-peer mental health programs; Sponsor: LaLota, Nick [Rep.-R-NY-1]; Committees: House - Veterans' Affairs

H.R.439 — To amend title 38, United States Code, to require the Department of Veterans Affairs to furnish hospital care and medical services outside a State to veterans with service-connected disabilities rated as permanent and total, and for other purposes; Sponsor: LaLota, Nick [Rep.-R-NY-1]; Committees: House - Veterans' Affairs

H.R.456 — To prohibit the provision of Federal funds to the National Institutes of Health for the purposes of conducting biological, medical, or behavioral research involving the testing of dogs; Sponsor: Steube, W. Gregory [Rep.-R-FL-17]; Committees: House - Energy and Commerce

H.R.467 — To amend title 38, United States Code, to eliminate the requirement of a service-connected disability to furnish veterans with medical care outside of a State, and for other purposes; Sponsor: Van Drew, Jefferson [Rep.-R-NJ-2]; Committees: House - Veterans' Affairs

S.106 – A bill to amend title XVIII of the Social Security Act to provide Medicare coverage for all physicians' services furnished by doctors of chiropractic within the scope of their license, and for other purposes; Sponsor: Cramer, Kevin [Sen.-R-ND]; Committees: Senate – Finance

S.121 — A bill to extend the statute of limitations for violations relating to pandemic-era programs to be 10 years; Sponsor: Lankford, James [Sen.-R-OK]; Committees: Senate – Judiciary

S.131 — A bill to amend the Internal Revenue Code of 1986 to create a tax credit for nurse preceptors; Sponsor: Kelly, Mark [Sen.-D-AZ]; Committees: Senate – Finance

S.139 — A bill to amend the Public Health Service Act to reauthorize and extend the Fetal Alcohol Spectrum Disorders Prevention and Services program, and for other purposes; Sponsor: Murkowski, Lisa [Sen.-R-AK]; Committees: Senate - Health, Education, Labor, and Pensions

S.141 — A bill to identify and address barriers to coverage of remote physiologic devices under State Medicaid programs to improve maternal and child health outcomes for pregnant and postpartum women; Sponsor: Cassidy, Bill [Sen.-R-LA]; Committees: Senate – Finance

H.R.483 — To direct the Secretary of Health and Human Services to delay the implementation of electronic clinical quality metrics for accountable care organizations, and for other purposes; Sponsor: Buchanan, Vern [Rep.-R-FL-16]; Committees: House - Energy and Commerce; Ways and Means

H.R.497 — To amend title XIX of the Social Security Act to provide clarification with respect to the liability of third party payers for medical assistance paid under the Medicaid program, and for other purposes; Sponsor: Crenshaw, Dan [Rep.-R-TX-2]; Committees: House - Energy and Commerce

H.R.498 — To amend title XIX of the Social Security Act to prohibit Federal Medicaid funding for gender transition procedures for minors; Sponsor: Crenshaw, Dan [Rep.-R-TX-2]; Committees: House - Energy and Commerce

H.R.500 — To amend title XVIII of the Social Security Act to remove the exclusion of Medicare coverage for hearing aids and examinations therefor, and for other purposes; Sponsor: Dingell, Debbie [Rep.-D-MI-6]; Committees: House - Energy and Commerce; Ways and Means

H.R.530 — To provide for a study by the National Academies of Sciences, Engineering, and Medicine on the prevalence and mortality of cancer among individuals who served as active duty aircrew in the Armed Forces, and for other purposes; Sponsor: Pfluger, August [Rep.-R-TX-11]; Committees: House - Veterans' Affairs

H.R.538 — To amend title XVIII of the Social Security Act to remove the 96-hour physician certification requirement for inpatient critical access hospital services; Sponsor: Smith, Adrian [Rep.-R-NE-3]; Committees: House - Ways and Means

H.R.539 — To amend title XVIII of the Social Security Act to provide Medicare coverage for all physicians' services furnished by doctors of chiropractic within the scope of their license, and for other purposes; Sponsor: Steube, W. Gregory [Rep.-R-FL-17]; Committees: House - Energy and Commerce; Ways and Means

H.R.541 — To require the Department of Defense to share best practices with, and offer training to, State and local first responders regarding how to most effectively aid victims who experience trauma-related injuries; Sponsor: Torres, Ritchie [Rep.-D-NY-15]; Committees: House - Armed Services

H.R.548 — To amend the Internal Revenue Code of 1986 to modernize health savings accounts; Sponsor: Van Duyne, Beth [Rep.-R-TX-24]; Committees: House - Ways and Means

H.R.553 — To amend title 38, United States Code, to direct the Secretary of Veterans Affairs to establish a patient outreach system relating to mental health care, and for other purposes; Sponsor: Wittman, Robert J. [Rep.-R-VA-1]; Committees: House - Veterans' Affairs

H.R.554 — To improve the provision of health care by the Department of Veterans Affairs, and for other purposes; Sponsor: Wittman, Robert J. [Rep.-R-VA-1]; Committees: House - Veterans' Affairs