

## Reconciliation Update

The Senate Finance Committee unveiled its portion of the GOP's budget reconciliation bill last week. Release of the bill language follows lengthy, closed-door negotiations amongst Senate Republicans about what revisions to make to the One Big Beautiful Bill Act (H.R. 1) passed by the House of Representatives on May 22. House leadership had urged senators to limit changes to the legislation given the narrow margin by which the bill was passed in a 215-214 vote.

The Senate package goes further than the House bill in limiting states' ability to use medical provider taxes to help fund their share of the Medicaid program. The House proposed to set a moratorium on new or increased provider taxes, while the Senate's version would gradually reduce the amount that Medicaid expansion states can tax their health care providers from the current 6% of net patient revenues to 3.5% in fiscal year 2031. The tax rates of non-expansion states would be frozen at their current level. Sen. Josh Hawley (R-Mo.), amongst others, has been outspoken in his concerns about the impact of these provisions on rural hospitals. Senate Republicans are reportedly working to draft language that would create a special relief fund for rural hospitals in response to such concerns. The Senate bill's provisions around Medicaid work requirements also diverge from the House-passed version. The Senate would subject parents with children aged 15 and older to work or community service requirements, while the House plan would exempt all people with dependents from proposed work requirements.

The Senate bill omits most of the House-passed policies related to pharmacy benefit manager industry reform as well as the Medicare physician reimbursement provision. It also drops a proposal to expand the Medicare drug price negotiation program's exemption for orphan drugs to include treatments for multiple rare diseases.

The package does not include reforms to the Medicare or Medicare Advantage program, an idea which was under discussion by Senate Republicans earlier this month.

The Senate reconciliation package would raise the debt ceiling by \$5 trillion, compared to the \$4 trillion contained in the House-passed

## Health Policy Briefing

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measure. The Treasury Department has projected that the nation could hit its borrowing limit as early as mid-August, posing the risk of a U.S. default on its payment obligations at that time.

In addition to the ongoing negotiations around the impact of the bill on financially vulnerable hospitals, Republicans also still lack agreement on several other issues in the broader legislation, including the debt ceiling, SALT cap, and clean energy tax breaks. The reconciliation provisions are also being reviewed by the Senate parliamentarian to ensure they meet the chamber's budgetary rules, with the Finance Committee provisions being adjudicated on Sunday. The Senate GOP aims to pass the reconciliation package this week and send it back to the House for final approval before the Fourth of July. Republicans can only lose three votes in either chamber and still pass the bill along party lines.

## Democrats Call for Investigations into Impact of HHS Secretary on Vaccine Access

House Energy and Commerce Committee Ranking Member Frank Pallone (D-N.J.) is [requesting](#) that Chairman Brett Guthrie (R-Ky.) open an investigation into recent changes made to the Advisory Committee on Immunization Practices (ACIP) by U.S. Department of Health and Human Services (HHS) Secretary Robert F. Kennedy Jr. The Secretary fired all 17 members of ACIP earlier this month, after making a unilateral decision to change COVID-19 vaccine recommendations for pregnant women and children. "Not only do these actions break promises he made under oath during his Senate confirmation, but they appear to be further proof that he intends to use his position as HHS Secretary to continue to advance his dangerous pseudo-science agenda," Rep. Pallone writes. Senate Health, Education, Labor, and Pensions (HELP) Committee Ranking Member Bernie Sanders (I-Vt.) sent a similar [letter](#) to HELP Committee Chair Bill Cassidy, MD (R-La.) earlier this month, arguing that RFK Jr.'s "reckless" decision to fire ACIP members and "replace them with ideologues with limited expertise and a history of undermining vaccines will not only endanger the lives of Americans of all ages, it directly contradicts a commitment he made to you before he was confirmed that he would not make any significant changes to this important Committee." ACIP is next scheduled to meet on Wednesday and Thursday of this week. The Secretary is scheduled to appear before the Energy and Commerce Health Subcommittee to testify about the proposed HHS budget for fiscal year 2026 on Tuesday.

## 2025 Medicare Trustees Report

The Department of the Treasury released the annual Social Security and [Medicare Trustees](#) Reports on Wednesday. As in prior years, the Trustees found that the Medicare program continues to face significant financing issues. This year's report projects that the Hospital Insurance Trust Fund will be able to pay 100% of total scheduled benefits until 2033, three years earlier than reported last year. At that point, that fund's reserves will become depleted and continuing program income will be sufficient to pay 89% of total scheduled benefits. While the Supplementary Medical Insurance (SMI) Trust Fund is adequately financed into the indefinite future because its main financing sources (beneficiary premiums and federal contributions) are automatically adjusted each year, the Trustees note that SMI costs are rapidly rising and place increasing demands on beneficiaries and general taxpayers.

## Upcoming Congressional Hearings and Markups

House Energy and Commerce Subcommittee on Health hearing “The Fiscal Year 2026 Department of Health and Human Services Budget;” 10:00 a.m.; June 24

House Ways and Means Subcommittee on Health hearing “Health at Your Fingertips: Harnessing the Power of Digital Health Data;” 9:00 a.m.; June 25

Senate HELP Committee hearing on the nomination of Susan Monarez to be Director of the Centers for Disease Control and Prevention, Department of Health and Human Services; 10:00 a.m.; June 25

House Oversight and Government Reform Subcommittee on Health Care and Financial Services hearing “Sacrificing Excellence for Ideology: The Real Cost of DEI;” 10:00 a.m.; June 25

Senate Special Committee on Aging hearing “Lessons from the Field: How Sports Medicine Can Improve Health Outcomes for Seniors;” 3:30 p.m.; June 25

House Appropriations subcommittee markup of Fiscal Year 2026 Labor, Health and Human Services, Education, and Related Agencies Bill; 5:00 pm.; July 21

House Appropriations full committee markup of Fiscal Year 2026 Labor, Health and Human Services, Education, and Related Agencies Bill; 10:00 am.; July 24

## Recently Introduced Health Legislation

H.R.4011 — To amend the Public Health Service Act to authorize the Secretary of Health and Human Services to award grants to eligible entities to support community paramedicine programs carried out in rural areas, and for other purposes; Sponsor: Cleaver, Emanuel [Rep.-D-MO-5]; Committees: House - Energy and Commerce

S.2085 — Postpartum Lifeline Act – A bill to require 12-month continuous, full benefit coverage for pregnant individuals under Medicaid and CHIP, and for other purposes; Sponsor: Gallego, Ruben [Sen.-D-AZ]; Committees: Senate – Finance

S.Res.285 — A resolution designating July 16, 2025, as “Glioblastoma Awareness Day”; Sponsor: Graham, Lindsey [Sen.-R-SC]; Submitted in the Senate, considered, and agreed to without amendment and with a preamble by Unanimous Consent.

S.2086 — A bill to amend the Employee Retirement Income Security Act of 1974 to allow health marketplace pools to be deemed an employer under section 3(5) of such Act for purposes of offering a group health plan or group health insurance coverage, and for other purposes; Sponsor: Paul, Rand [Sen.-R-KY]; Committees: Senate - Health, Education, Labor, and Pensions

H.Res.522 — Recognizing that Adriana Smith and her family’s prolonged ordeal without their consent is the direct result of the Black maternal health crisis, the danger of laws that give rights to fetuses and take them away from pregnant people, and anti-abortion laws that continue to harm people who can become pregnant; Sponsor: Williams, Nikema [Rep.-D-GA-5]; Committees: House - Energy and Commerce; Judiciary

H.R.4019 — To amend the Omnibus Crime Control and Safe Streets Act of 1968 to establish a grant program for provide access to, and training on the administration of, epinephrine products for law enforcement officers, and for other purposes; Sponsor: Gillen, Laura [Rep.-D-NY-4]; Committees: House – Judiciary

H.R.4022 — To amend title XIX of the Social Security Act to remove the exclusion from medical assistance under the Medicaid Program of items and services for patients in an institution for mental diseases, and for other purposes; Sponsor: Carbajal, Salud O. [Rep.-D-CA-24]; Committees: House - Energy and Commerce

H.R.4028 — To amend titles XIX and XXI of the Social Security Act to provide for 12-month continuous enrollment of individuals under the Medicaid program and Children's Health Insurance Program; Sponsor: Dingell, Debbie [Rep.-D-MI-6]; Committees: House - Energy and Commerce

H.R.4029 — To provide for an emergency increase in Federal funding to State Medicaid programs for expenditures on home and community-based services; Sponsor: Dingell, Debbie [Rep.-D-MI-6]; Committees: House - Energy and Commerce

H.R.4030 — To amend the Public Health Service Act to authorize the Secretary of Health and Human Services to address priority substance use disorder and serious mental illness treatment needs through long-acting injectable medications, and for other purposes; Sponsor: Dunn, Neal P. [Rep.-R-FL-2]; Committees: House - Energy and Commerce

H.R.4037 — To clarify coverage of occupational therapy under the Medicare program; Sponsor: Kennedy, Timothy M. [Rep.-D-NY-26]; Committees: House - Ways and Means; Energy and Commerce

S.Res.292 — A resolution expressing support for the designation of June 19, 2025, as "World Sickle Cell Awareness Day" in order to increase public awareness across the United States and global community about sickle cell disease and the continued need for empirical research, early detection screenings, novel effective treatments leading to a cure, and preventative care programs with respect to complications from sickle cell anemia and conditions relating to sickle cell disease; Sponsor: Booker, Cory A. [Sen.-D-NJ]; Committees: Senate - Foreign Relations

S.2112 — A bill to amend the Agricultural Marketing Act of 1946 to modify the definition of hemp, and for other purposes; Sponsor: Paul, Rand [Sen.-R-KY]; Committees: Senate - Agriculture, Nutrition, and Forestry

S.2121 — A bill to reauthorize certain programs that provide for opioid use disorder prevention, treatment, and recovery, and for other purposes; Sponsor: Cassidy, Bill [Sen.-R-LA]; Committees: Senate - Health, Education, Labor, and Pensions

S.2131 — A bill to require the Secretary of Health and Human Services to carry out a public awareness campaign to increase awareness of the importance of father inclusion and engagement in improving overall health outcomes during pregnancy, childbirth, and postpartum, and for other purposes; Sponsor: Warnock, Raphael G. [Sen.-D-GA]; Committees: Senate - Health, Education, Labor, and Pensions

S.2134 — A bill to amend title 38, United States Code, to ensure that veterans in each of the 48 contiguous States are able to receive services in at least one full-service hospital of the Veterans Health Administration in the State or receive comparable services provided by contract in the State; Sponsor: Shaheen, Jeanne [Sen.-D-NH]; Committees: Senate - Veterans' Affairs