



# THE AAEM | JANUARY 2025 ACTION REPORT

CHAMPION OF THE EMERGENCY PHYSICIAN



The AAEM Action Report is a monthly newsletter designed to keep you informed on the critical developments affecting our mission. Your continued engagement remains crucial as we confront these challenges and work towards lasting solutions. We are deeply grateful for your unwavering support and dedication to our mission - thank you for standing with us. Additionally, we would like to extend our gratitude to our lobbying firm, I Street Advocates, for their tireless efforts in advancing our advocacy goals.

Together, we can shape the future of emergency medicine.

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## **Congressional Activity**

### ***Congressional Short-Term Spending Resolution***

On December 21, the Senate approved, and President Joe Biden signed into law, a short-term government funding bill through March 14th. While the new Congress and President Trump's administration are still organizing, significant uncertainty remains regarding how Republican Congressional leaders and the President will address major issues such as the number of budget reconciliation bills, spending limits, and the handling of the upcoming debt ceiling. In the words of Speaker Mike Johnson "All of it's on the table." As the new administration takes shape and discussions with Congressional leaders' progress, we will continue to monitor the funding situation. Updates on specific issues such as expiring health provisions and the Medicare physician fee update follow.

### ***Due Process Bill Introduction***

As the 119th Congress organizes, I Street continues to meet with champions of the Physician and Patient Safety Act to plan for the bill's reintroduction. Senator Elizabeth Warren (D-MA), Senator Roger Marshall (R-KS) and Rep. Raul Ruiz (D-CA) have all firmly committed to reintroduction. We are still awaiting a finale timeline for reintroduction and confirmation from the bill's other champions.

### ***Reintroduction of Workforce Mobility Act***

The bill's lead Representative Scott Peters (D-CA) is still planning on introducing the bill around March. Representative Peters remains optimistic that Representative Pfluger (R-TX) will co-lead the bill with him.

### ***Dr. Lorna Breen Health Care Provider Protection Reauthorization Act***

Senators Tim Kaine (D-VA) and Todd Young (R-IN), and Representatives Jen Kiggans (R-VA) and Debbie Dingell (D-MI) plan on reintroducing the Dr. Lorna Breen Health Care Provider Protection Reauthorization Act as soon as next week. At the time of publication, the bill was to be identical to the text introduced in the last Congress, and would extend the Lorna Breen Act into 2029. Congressional champions are optimistic that the bill will be wrapped into the reconciliation healthcare package to be voted on in March.

### ***Medicare Physician Update***

The Medicare Payment Advisory Commission ([MedPAC](#)) voted on January 16th to recommend that Congress tie next year's physician payment update to the Medicare Economic Index (MEI) minus one percentage point, which would result in a 1.3% increase. MedPAC will send these recommendations to Congress this Spring. During the past Congress, Representative Ruiz introduced related legislation, The Strengthening Medicare for Patients and Providers Act to link future physician payment updates to the MEI.

The physician community is still working to reverse the 2.83% cut, which went into effect on January 1 after Congress and then President-elect Trump rejected a bipartisan agreement to partially offset the cuts. Congress will presumably address the physician cut under the upcoming reconciliation package. AAEM has joined the physician community in working to resolve the current physician pay cut and for a retrospective solution. It remains unclear whether Congress will address the issue retroactively or prospectively. In early 2025, Congress ultimately chose a prospective

approach due in part to administrative difficulties in applying the adjustment to all Medicare claims for 2025, including those already processed. Retroactive adjustment would require CMS to reprocess these claims.

### ***Cures 2.1 Legislative Proposal Released***

Representative Diana DeGette (D-CO) and former Representative Larry Bucshon, MD (R-IN) on December 24, 2024, published an [issue paper](#), summary and other materials on Cures. 2.1. AAEM responded to an CURES information request for information in June about the information blocking issue. Information blocking is not addressed in the DeGette materials. AAEM is planning a response to the white paper release. With the retirement of Bucshon, DeGette, the incoming ranking member of the House Energy and Commerce Health Subcommittee, is searching for a new Republican bill co-lead.

### ***Senate Budget Committee Leaders Release Report on Private Equity***

On January 7th, the Senate Budget Committee 118th Congress Chair and Ranking Minority Senators Sheldon Whitehouse (D-RI) and Chuck Grassley (R-IA) released a bipartisan staff [report](#) regarding “the ways in which private equity investment in healthcare has negative consequences for patients and providers.” The investigation focused on two private equity (PE) firms. The report included case studies which focused, in part, on emergency departments. One case study noted the outsourcing of emergency physicians and overcrowded emergency rooms. Another case study noted the impact of PE ownership on emergency department wait times, staffing and patient flow. In response to the report, I Street Advocates met with Whitehouse staff earlier this month about the due process bill.

## **Nomination Updates**

### ***Secretary of HHS, Robert F. Kennedy, Jr.***

The Senate Finance Committee has scheduled HHS Secretary nominee Kennedy’s hearing for January 29th; the Senate Health, Education, Labor and Pensions (HELP) Committee scheduled a hearing for January 30th.

### ***Director of NIH, Dr. Jay Bhattacharya***

Dr. Bhattacharya was nominated by President Trump to lead NIH. Dr. Bhattacharya would oversee the NIH during a potential reorganization of the agency. His nomination hearing has not yet been scheduled.

### ***Administrator of CMS, Dr. Mehmet Oz***

President Trump selected Dr. Mehmet Oz to serve as Administrator of the Centers for Medicare and Medicaid Services (CMS). His nomination hearing has not yet been scheduled.

### ***Acting Roles at HHS***

President Trump announced that Dorothy Fink, Director of the HHS Office on Women’s Health, will serve as acting HHS secretary as Robert Kennedy Jr. goes through Senate confirmation.

## Congressional Organization Update

House and Senate leaders have announced committee assignments for the 119<sup>th</sup> Congress.

House Appropriations Committee Chair Tom Cole (R-OK) and Ranking Member Rosa DeLauro (D-CT) announced the Labor, HHS Appropriations Subcommittee [roster](#). Rep. Robert Aderholt (R-AL) was named Chairman of the L-HHS Subcommittee and Rep. Rosa DeLauro (D-CT) was named Ranking Member of the Subcommittee as well.

House Ways and Means Committee Chair Jason Smith (R-MO) and Ranking Member Richie Neal (D-MA) announced the [Republican](#) and [Democratic](#) Subcommittee rosters. Rep. Vern Buchanan (R-FL) was named Chairman of the Health Subcommittee and Rep. Lloyd Doggett (D-TX) was named Ranking Member of the Subcommittee.

Energy and Commerce Committee Chair Brett Guthrie (R-KY) and Ranking Member Frank Pallone (D-NJ) announced the [Republican](#) and [Democratic](#) Subcommittee rosters. Rep. Buddy Carter (R-GA) was named Chairman of the Health Subcommittee and Rep. Diana DeGette (D-CO) was named Ranking Member of the Subcommittee.

Senate Appropriations Committee Chair Susan Collins (R-ME) and Ranking Member Patty Murray (D-WA) announced the Republican and Democratic [rosters](#).

Senate Finance Committee Chair Mike Crapo (R-ID) and Ranking Member Ron Wyden (D-OR) announced the Republican and Democratic [rosters](#).

Senate Health, Education, Labor, and Pensions Committee Chair Bill Cassidy, MD (R-LA) and Ranking Member Bernie Sanders (D-OR) announced the Republican and Democratic [rosters](#).

## Administrative Activity

### ***Andrew Ferguson becomes FTC Chair***

On January 20th, Andrew Ferguson was appointed as Chair of the FTC. In a memo to staff, outgoing Chair Lina Khan announced her intention to resign in the coming weeks. Khan's decision to step down before the end of her term will leave the FTC temporarily deadlocked, with two Republican and two Democratic commissioners until the Senate confirms her replacement. President Trump's Republican nominee to fill the position, Mark Meador, is widely expected to win confirmation and fill the fifth seat on the Commission.

### ***HHS Releases Report on Consolidation and Private Equity (PE) in Health Care Markets***

On January 15, HHS released [a report in response to the Consolidation in Health Care Markets Request for Information \(RFI\) - PDF](#). AAEM submitted comments in response to the RFI in 2024. The report highlights the impacts of consolidation in our nation's health care markets and the influx of PE and other private investors in the healthcare space. The report highlighted emergency departments throughout the report. Key references are below.

- "Some estimates suggest that more than 40% of the country's emergency rooms are overseen by for-profit health care staffing companies owned by private equity firms."
- An emergency physician was quoted as saying, "They are intentionally understaffing emergency departments as a driver of profit. Patient care is being dangerously impacted, as the physicians are being

asked to see an unsafe number of patients because they do not want to staff the emergency departments appropriately.”

- The report stated, “emergency physicians noted that larger national PE-backed staffing companies and health systems tended to hire physicians' assistants and nurse practitioners over emergency physicians in part to reduce labor costs since these advanced practice providers (APPs) are paid approximately a third of what emergency physicians are.”

### ***Executive Orders***

Over the past week, President Trump issued many executive orders (EOs) and memorandum. These EOs included a government-wide hiring freeze, a pause on regulatory rulemaking, rescissions of Biden executive orders, the elimination of several Diversity, Equity and Inclusion initiatives, and withdrawing from the World Health Organization. Below are a few that may be of interest.

#### ***Delivering Emergency Price Relief for American Families EO***

President Trump asserts that the Biden’s Administration has caused prices across the economy to soar, including the cost of medical care and insurance. [The order](#) instructs all executive departments and agencies to deliver price relief including by “eliminat[ing] unnecessary administrative expenses and rent-seeking practices that increase healthcare costs.” The Assistant to the President for Economic Policy will report every 30 days on the status of this EO.

#### ***Initial Rescissions of Harmful Executive Orders and Actions***

President Trump rescinded more than [70 Biden Executive Orders](#). These include:

- Executive Order 13987 of January 20, 2021 (Organizing and Mobilizing the United States Government To Provide a Unified and Effective Response To Combat COVID-19 and To Provide United States Leadership on Global Health and Security).
- Executive Order 13995 of January 21, 2021 (Ensuring an Equitable Pandemic Response and Recovery).
- Executive Order 13996 of January 21, 2021 (Establishing the COVID-19 Pandemic Testing Board and Ensuring a Sustainable Public Health Workforce for COVID-19 and Other Biological Threats).
- Executive Order 13997 of January 21, 2021 (Improving and Expanding Access to Care and Treatments for COVID-19).
- Executive Order 14070 of April 5, 2022 (Continuing To Strengthen Americans’ Access to Affordable, Quality Health Coverage)
- Executive Order 14087 of October 14, 2022 (Lowering Prescription Drug Costs for Americans).

#### ***HHS Memorandum on Communications***

In a related development, the acting head of HHS sent a [memo](#) to the heads of all the HHS divisions, directing them to refrain from most external communications, such as issuing documents, guidance or notices, until such documents can be approved by a presidential appointee.

## State Activity

I Street Advocates is tracking bills about noncompetes, private equity, corporate practice of medicine, and scope of practice in states which have chapter divisions for AAEM. We have made specific recommendations for each bill below.

### Connecticut

SB 261 limits the ability of private equity firms to purchase health care facilities. *I Street recommends supporting this bill.*

SB 354 prohibits noncompete agreements. *I Street recommends supporting this bill.*

SB 489 creates a task force to examine how private equity harms radiology. *I Street recommends remaining neutral.*

SB 469 regulates CPOM. *I Street recommends supporting this bill.*

*I Street is working on [a letter](#) of support for these bills.*

### Indiana

SB 0475 prohibits noncompete agreements between physicians and employers. However, it does not retroactively void agreements made prior to July 1, 2025. The bill also prohibits a physician from receiving compensation or an incentive from a health care entity or another physician who is in the same network. *I Street recommends supporting this bill.*

H.B.1625 prohibits individuals, persons, or entities from entering into a noncompete agreement after June 30, 2025. *I Street recommends supporting the bill.*

H.B.1666 requires certain ownership information to be reported by:

- Hospitals to the Indiana department of health (state department)
- Physician group practices to the professional licensing agency
- Insurers, third-party administrators, and pharmacy benefit managers to the department of insurance.

It also requires that any Indiana health care merger or acquisition involving a private equity partnership must be approved by the Attorney General, regardless of the total assets involved. The Attorney General can block the merger or acquisition if it is determined to negatively impact Indiana health care consumers. The Attorney General must approve or deny the merger within 45 days of receiving notice.

*I Street recommends supporting the bill.*

### Missouri

HB 448 prohibits noncompetes clauses in physician employment contracts. *I Street [sent an AAEM letter](#) supporting this bill.*

## Additional Updates

There are no additional updates to report at this time.

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*This newsletter content was provided by [I Street Advocates](#), the advocacy partner of the American Academy of Emergency Medicine (AAEM). I Street Advocates works closely with AAEM to advance policy solutions and legislative efforts that impact emergency medicine, ensuring that your voice is heard on the issues that matter most.*