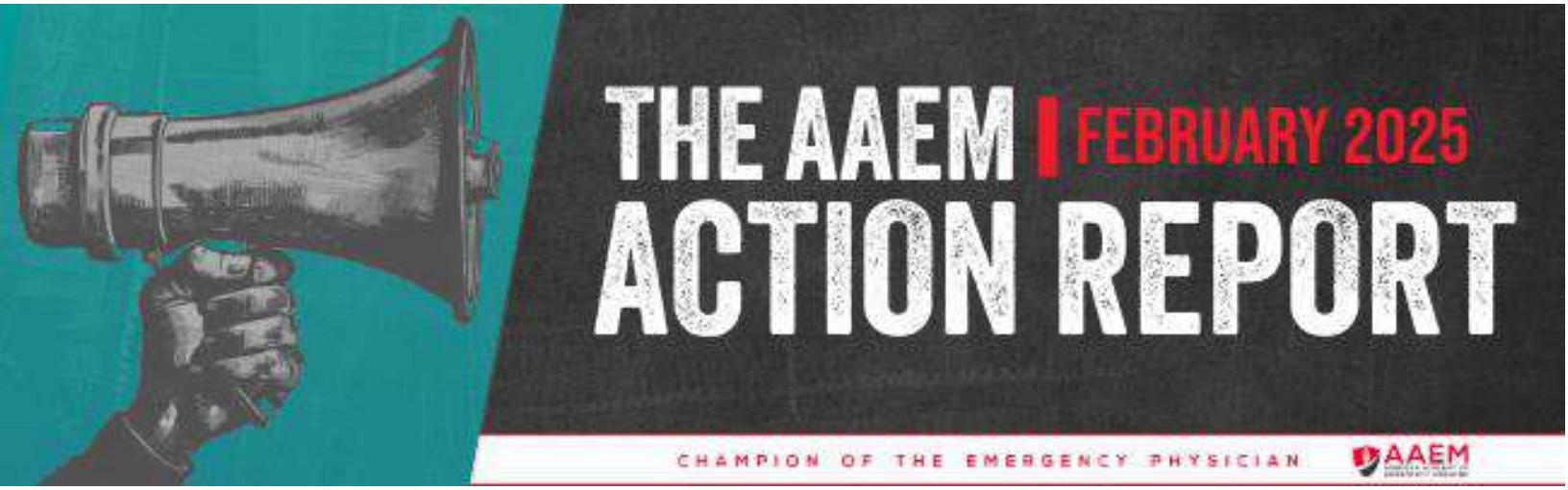

The AAEM Action Report is a monthly newsletter designed to keep you informed on the critical developments affecting our mission. Your continued engagement remains crucial as we confront these challenges and work towards lasting solutions. We are deeply grateful for your unwavering support and dedication 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

Budget Reconciliation Process

On December 21, the Senate approved, and President Joe Biden signed into law, a short-term government funding bill through March 14th. The budget reconciliation process, a process that allows funding bills to pass with a simple majority, is taking form. Senator Lindsey Graham introduced a Senate budget resolution which contained $1 billion in Senate Finance Committee savings–a signal about possible health cuts. The Senate resolution passed out of committee, on February 12th. In the House, the Budget Committee marked up a resolution on February 13th which directs the Energy and Commerce Committee, which oversees HHS, and its sub-agencies, to cut a minimum of $880 billion.

Updates on specific issues such as expiring health provisions and the Medicare physician fee cut 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 final timeline for reintroduction from Senator Marshall's staff, who has indicated that they are looking toward introduction in late spring.

Dr. Lorna Breen Healthcare 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) reintroduced the Dr. Lorna Breen Health Care Provider Protection Reauthorization Act. Both the House and Senate versions would reauthorize The Lorna Breen Act for 5 years. Congressional champions remain optimistic that the bill will be wrapped into the reconciliation healthcare package to be voted on in March.

AAEM was invited to provide a statement for the press release announcing the House's introduction. You can read the press release, which includes a quote from Dr. Frolichstein here.

Medicare Physician Update

On January 31, a bipartisan group of 10 House members introduced legislation to end the 2.83% Medicare payment cut to clinicians for this year effective on April 1. The bill also includes a 2% payment increase to help stabilize medical practices and ensure patient access. Reps. Greg Murphy, MD (R-NC) and Jimmy Panetta (D-CA), along with eight other lawmakers, introduced the Medicare Patient Access and Practice Stabilization Act. Similar proposals garnered bipartisan support last year. However, Congress did not address the issue during the lame-duck session. While the bipartisan health package negotiated in mid-December included a 2.5% payment increase for physicians rather than the 2.8% full offset, Congress ultimately passed a narrow continuing resolution which did not include the partial physician update.

The AAEM recently signed a stakeholder support letter regarding the bill. The letter urges Congress to address the fee cut within the budget reconciliation process.

Rural ER Access Act

On January 28, Rep Mark Green (R-TN) introduced HR 772, the Rural ER Access Act. The bill would allow free-standing emergency departments in rural communities. In this press release, Dr. Green said, "As a former Army doctor and emergency room physician, I understand the complex needs of our rural communities. Americans living outside metropolitan areas frequently face inadequate access to emergency medical services.

Reintroduction of CBO Panel of Health Advisors Bill

On January 28th, Reps. Buddy Carter (R-GA) and Ron Estes (R-KS) introduced H.R. 751, The Health Panel Act, a bill that would codify the Congressional Budget Office (CBO) Panel of Health Advisers, establishing congressional appointment authority, and requiring an annual report to the Budget Committees detailing the panel's work and recommendations. CBO scores countless bills each year for Congressional consideration.

Senate Judiciary Hearing on Fentanyl and the Need for Permanent Class Scheduling

On February 4th, the Senate Judiciary Committee convened a hearing regarding fentanyl and the need for scheduling fentanyl related substances as Schedule 1 drugs. Emergency physician Dr. Timothy Westlake testified at the hearing.

House DOGE Hearing

On February 12, the new House Oversight DOGE panel convened their first hearing "The War on Waste: Stamping Out the Scourge of Improper Payments and Fraud." In her opening comments, Chairwoman Marjory Taylor Green (R-GA) specifically cited the need to "turn our attention to improper payments by the federal government, including in Medicaid and Medicare."

Nomination Updates

On February 4th, the Senate Finance Committee approved the nomination of Robert F. Kennedy as the Department of Health and Human Services (HHS) Secretary by a vote of 14-13. Kennedy was confirmed on February 13th by a vote of 52 to 48 with all Democrats and Senator Mitch McConnell (R KY) voting no.

During Kennedy's hearing before the Senate Finance Committee, Senator Catherine Cortez Masto (D-NM) asked about the Emergency Medical Treatment & Active Labor Act (EMTALA). Kennedy said he was uncertain whether federal law would preempt state laws on abortion in this case. At a hearing the next day before the Senate Health, Education, Labor and Pensions Committee (HELP), Senator Lisa Blunt Rochester (D-DE) asked whether Kennedy would support EMTALA and Kennedy initially noted Trump's policy on the issue but when pressed he said "If it's required to save their life," Kennedy said.

The HELP and Senate Finance Committee will soon consider nominees to the agencies within HHS such as Director of NIH, Dr. Jay Bhattacharya and Administrator of CMS, Dr. Mehmet Oz.

Administrative Activity

Daniel Guarnera Appointed to FTC Director of Bureau of Competition

FTC Chairman Andrew Ferguson has appointed Daniel Guarnera to lead the Bureau of Competition. In the press release announcing the appointment Ferguson specifically highlighted Guarnera's "experience using the antitrust laws to promote competition in labor and healthcare markets—two of my top priorities. "Prior to joining the FTC, Guarnera served in the DOJ's Antitrust Division, where he handled merger matters across industries including transportation, healthcare, and technology. He also gained legislative experience as an aide to Senate Judiciary Committee Chairman Charles Grassley.

Executive Orders

President Trump continues to issue many executive orders (EOs).

On January 21st, President Trump issued a diversity, equity, and inclusion (DEI) EO which calls for the termination of programs by federal agencies and contractors. A recent Axios report noted that "health systems are bracing to be caught up in the Trump administration's DEI executive order." It remains unclear whether hospitals or other health care entities will be regarded as federal contractors. In addition, the EO mentions the "medical industry" by name. The EO requests, "A plan of specific steps or measures to deter DEI programs or principles. . . As a part of this plan, each agency shall identify up to nine potential civil compliance investigations of publicly traded corporations, large non-profit corporations or associations, foundations with assets of 500 million dollars or more, State and local bar and ***medical associations***, and institutions of higher education with endowments over 1 billion dollars.

On January 31st, President Trump issued an EO requiring that for every one new rule an agency proposes, ten old rules must be rescinded. The Office of Management and Budget will administer the EO.

The Trump Administration has identified multiple Biden rules for repeal. However, it remains unclear how the Administration will work with the Congress on identifying regulations. Some rules would produce significant savings that Congress could use in its budget reconciliation effort. Another unknown is how the Administration will handle different types of regulations. Agencies are required to issue mandatory regulations such as the Medicare Physician Fee Schedule or the Medicare Inpatient Prospective Payment System rule. Discretionary regulations instead are policy driven initiatives specific to a particular Administration.

On February 13th, following HHS Secretary Kennedy's confirmation and swearing in, President Trump issued an executive order establishing the President's Make America Healthy Again Commission. Chaired by Secretary Kennedy, the Commission will initially focus on childhood chronic diseases and "investigate and address the root causes of America's escalating health crisis."

NIH Guidance on Indirect Cost Rate

On February 7th, the NIH announced a new policy regarding indirect cost reimbursement for research grants. For all new and existing grants, the NIH set the indirect cost rate at 15%, a significant reduction for research grantees. The new policy was announced via a supplemental guidance document.

On February 10th, 22 state Attorney Generals brought a lawsuit against the NIH's 15% cap. A federal judge in Boston has issued a temporary restraining order in response.

Senator Collins (R-ME), who sits on both the authorizing and appropriating committees which oversee NIH released a statement, opposing the cap, which is excerpted below. “I oppose the poorly conceived directive imposing an arbitrary cap on the indirect costs that are part of NIH grants and negotiated between the grant recipient and NIH. This morning, I called Robert F. Kennedy, Jr., the nominee to head the Department of Health and Human Services, to express my strong opposition to these arbitrary cuts in funding for vital research at our Maine institutions, which are known for their excellence. He has promised that as soon as he is confirmed, he will re-examine this initiative that was implemented prior to his confirmation. Additionally, Fiscal Year 2024 Appropriations legislation includes language that prohibits the use of funds to modify NIH indirect costs.”

President Trump sought to impose a 10% cap during his first Administration. In 2018, Congress blocked HHS from spending appropriated funds “to develop or implement a modified approach to” the reimbursement of “indirect costs” and “deviations from negotiated rates.

Agency Website Access

On February 11th, a federal judge ordered the Administration to restore multiple websites, communications, and data sets that have been removed from public access to recent executive orders. A federal judge granted a request from Doctors for America noting a, "substantial likelihood of success" on its claims that health administrators arbitrarily removed website access focusing specifically on issues like disease outbreaks. While some websites have reappeared others still remain inaccessible.

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.

SB 489 creates a task force to examine how private equity harms radiology.

SB 469 regulates CPOM

AAEM supported these bills on February 3rd.

Illinois

S.B.1998 amends the Illinois Antitrust Act to require health care facilities to obtain written consent from the Illinois Attorney General before completing certain transactions, such as mergers, acquisitions, or affiliations between

previously independent entities. Transactions financed by private equity groups or hedge funds also require consent, or any out-of-state entity that generates $10 million or more in annual revenue from Illinois residents.

I Street recommends supporting.

Indiana

SB 475 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.

AAEM supported this bill on February 4th.

H.B.1666 was voted out of committee with four amendments on February 4th. The bill had required that certain ownership information to be reported by hospitals. However, as amended the bill now exempts hospitals from the definition of "health care entity."

AAEM supported this bill on February 4th. On February 13th, AAEM withdrew support.

Mississippi

H.B. 849 expands the scope of practice for NPPs to allow them to practice without a collaborative agreement with a licensed physician. The bill's sponsor is also the Chairman of the committee (Public Health) and it passed the House.

After passing the House, I Street sent a letter to the Senate committee Chair and Vice Chair opposing the bill.

Missouri

HB 448 prohibits noncompetes clauses in physician employment contracts. I Street sent an AAEM letter supporting this bill.

Tennessee

H.B. 32 removes existing restrictions on the direct employment of certain medical specialists by hospitals and healthcare facilities in Tennessee, specifically for emergency physicians. TNAAEM has requested assistance opposing this legislation, and I Street is prepared to jump in. However, we await further guidance from local members.

Additional Updates

There are no additional updates to report at this time.

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.