



THE AAEM | MARCH 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

Continuing Resolution Update (FY 2025)

On March 8th, the House Republicans released a short-term continuing resolution (CR) which extends fiscal year (FY) 2025 funding through September 30th. Congress passed the most recent CR in December which extended government funding for FY 2025 at FY 2024 funding levels. The House passed the measure on March 10th. The Senate passed the measure on March 14th and the President signed it into law right before the funding was due to expire.

Physician Fee Schedule: Congress did not include the Medicare physician fee fix in the CR. Rep. Greg Murphy, MD (R-NC) continues to push for a resolution, and he was quoted as saying the Republican leadership team has agreed to include the Medicare doctor fix in the forthcoming reconciliation bill. Rep. Murphy and other policymakers pushed unsuccessfully to include the bipartisan [Medicare Patient Access and Practice Stabilization Act](#), which would have replaced the 2.83% cut in the CR.

Sequester: The CR maintained a 2% across-the-board sequestration cut to Medicare provider payments.

Dr. Lorna Breen Health Care Provider Protection Reauthorization Act

While the Lorna Breen Act was not included in the recently passed CR, advocacy for the reauthorization continues. On March 18th AAEM will join other healthcare advocacy organizations in sending a letter to Speaker Johnson (R-LA), Minority Leader Jeffries (D-NY), Majority Leader Thune (R-SD), and Minority Leader Schumer (D-NY) in support of the Lorna Breen Reauthorization Act (H.R.929/S.266). The letter urges Congress to include the Lorna Breen Act in the upcoming healthcare package and to provide funding for the program.

Wyden Sanders Health Extenders Bill

On March 6th, Senators Ron Wyden (D-OR) and Bernie Sanders (D-VT) introduced [S. 891](#). The bill includes the bipartisan, bicameral health package negotiated in December 2024 (S. 891, the Bipartisan Health Care Act). This package includes health extenders and items not included in the final end of year CR such as an offset to the scheduled Medicare physician fee schedule reduction and a THCGME increase and longer authorization. The package was ultimately left out of the December 2024 CR because of Republican pushback about the overall bill's size.

MedPAC Meeting on Medicare Physician Fee Schedule

On March 6th, the Medicare Payment Advisory Commission (MedPAC) met and discussed [a proposal](#) to reform the Medicare physician fee schedule. MedPAC discussed two different proposals to address the fee schedule: (1) replacing the current system with an update on a portion of the growth in the Medicare Economic Index (MEI), such as MEI minus 1 percentage point and (2) a proposal to require the Centers for Medicare and Medicaid Services (CMS) to improve cost data used in the update process.

Budget Reconciliation Process

On February 25th, the House passed its budget resolution, which directs the Energy and Commerce Committee—responsible for overseeing the Department of Health and Human Services (HHS) and its sub-agencies—to implement at least \$880 billion in cuts. While specific details have not been released, Speaker Johnson has pledged that Medicaid and Medicare will not be affected. However, many believe achieving such significant savings from the Energy and Commerce Committee would be difficult without reductions to these programs.

The Senate has yet to pass its own budget resolution, which is a necessary step before a final reconciliation package can move forward. Few expect the Senate to adopt the House's resolution as written. Minority Leader Thune has drawn a red line, insisting on the permanent extension of the Trump tax cuts, while many Senate Republicans have expressed concerns over potential Medicaid and Medicare cuts. If the Senate alters the resolution, the House will need to hold another closely contested vote before proceeding to reconciliation.

In a recent meeting with I Street, Speaker Johnson expressed his goal of delivering the full reconciliation package to President Trump by Easter. However, Leader Thune has indicated that the Senate is working toward finalizing the package by this summer.

We will continue to monitor the process including possible reconciliation changes to programs like the Medicare physician fee schedule.

Due Process Bill Introduction

I Street continues to engage with key champions of the Physician and Patient Safety Act to strategize its reintroduction. We understand that the bill's text has been reformatted for the 119th Congress but will remain consistent with last Congress's text.

Senate Democrats Send Letter to HHS Opposing Layoffs

The [letter was signed by all 47 Senators](#) and asks Department of Health and Human Services (HHS) Secretary Robert F. Kennedy, Jr. to provide detailed information on the firings. The letter also specifically highlights how the cuts could “undercut the durability of our nation’s health care system and present grave risks to patient access, whether to hospital care, emergency room care, or needed prescription drugs.” The press release announcing the sending of the letter can be found [here](#).

AAEM Joins Physician Coalition to Express Concern Over Indirect Cost Cap

The Trump Administration has taken multiple administrative actions that impact the research and academic community such as a cap on the National Institute on Health (NIH) indirect costs. 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. A federal court judge issued a nationwide preliminary injunction blocking the indirect cost reimbursement cap.

AAEM opposes this policy which would significantly impact our members. AAEM has signed a physician society led coalition letter indicating joint concern with the proposal; the letter can be found at [AANS letter](#).

Energy and Commerce Oversight and Authorization Plan

On February 25th, 2025, the Energy and Commerce Committee passed its Oversight and Authorization Plan for the 119th Congress, outlining key areas of focus for federal health policy oversight and reform. The plan emphasizes biological threat preparedness, including pandemic response, NIH grant oversight, and CDC accountability. The Committee aims to examine rising healthcare costs and regulations that may contribute to market consolidation.

FTC Nominee Mark Meador Testifies Before Senate HELP Committee

On February 25th, the Senate Health, Education, Labor, and Pensions (HELP) Committee held a hearing with FTC commissioner nominee Mark Meador. During the hearing, Senator Tammy Baldwin (D-WI) referenced their private meeting, where they discussed shared concerns about market consolidation in the healthcare industry. Meador emphasized the critical role of the FTC in preventing anti-competitive conduct and policing mergers to ensure no single market experiences undue consolidation.

NIH Director Confirmation

Jayanta Bhattacharya, MD, PhD, appeared before the Senate Health, Education, Labor and Pensions (HELP) Committee as part of his confirmation process for the NIH Director. The HELP Committee voted the nomination out of Committee on March 13th. In his opening statement, HELP Committee Chair Bill Cassidy, MD (R-LA) mentioned his proposal for NIH reform. Several other Committee members raised concerns with the indirect cost cap proposal. The full Senate is expected to consider the nomination shortly.

CMS Director Confirmation

On March 14th, Mehmet Oz, MD appeared before the Senate Finance Committee as part of his confirmation process for the CMS Administrator. When asked about private equity's role in healthcare, Oz said there needs to be a "mechanism to disrupt the incumbents. The only way to go after the big guys is to have smaller people who are willing to put money into initiatives that could conflict with, or go after, their business models," he said. "Private equity is one of the ways you can do that. Yes, it can be misused. I absolutely agree with the point that it has been abused."

Administrative Activity

FTC Requests Stay in Non Compete Litigation

On March 7th, lawyers for the FTC filed petitions for a 120 day stay of the agency's appeal of district court decisions in the Fifth Circuit and Eleventh Circuit, which had blocked the FTC's proposed ban on non-competes. Both requests cited the change in presidential administrations and the new FTC's Chair, Andrew Ferguson, who has publicly stated that the agency should reconsider its defense of the Rule. The FTC plans to provide an update to the court on the Commission's next steps at the end of the 120 day stay.

FTC Chair Ferguson Announces Several New Items

In a [memo outlining the creation](#) of the Joint Labor Task force, Chairman Ferguson outlined a number of "anticompetitive labor practices." This list included no hire agreements, and non-compete clauses which he described

as “unnecessary, onerous, and often lengthy restrictions on former employees’ ability to take new jobs...” While Chairman Ferguson has historically opposed his predecessor’s rule banning non-competes, this memo signals the Commission’s openness to prosecute individual abuses of non-compete agreements.

Proposal to End Mandatory Public Comment Periods

HHS Secretary Kennedy has proposed ending mandatory public comment periods for department activities related to “agency management or personnel or to public property, loans, grants, benefits or contracts,” according to a [Federal Register notice](#) posted on February 28th. This proposal could significantly impact HHS rulemaking.

Executive Order on Price Transparency

On February 25th, President Trump signed an executive order aimed at increasing healthcare price transparency. The order requires hospitals and insurers to disclose actual prices for medical services and prescription drugs, rather than estimates, to help patients make more informed healthcare decisions. The Administration estimates this initiative could save consumers, employers, and insurers up to \$80 billion by 2025. Additionally, federal agencies will be tasked with ensuring compliance with transparency requirements to improve access to pricing information. This [factsheet](#) summarizes the executive order.

EMTALA Lawsuit Withdrawal

The Trump administration is reportedly planning to withdraw from the “EMTALA lawsuit” that aimed to allow Idaho hospitals to perform emergency abortions rather than be subject to the state’s near-total abortion ban. This action is counter to Biden administration efforts to clarify that EMTALA took precedence over state abortion bans. This development was signaled by a court filing by St. Luke’s Health System that states its attorneys were told the Trump Department of Justice plans to move for a dismissal of the suit.

State Activity

California

California [SB 351](#) would prohibit private equity groups or hedge funds involved with physicians or dental practices from interfering with healthcare decisions. California already has strong CPoM laws on the books (lacking in enforcement), and this new bill explicitly targets private equity/hedge funds. The language does not amend the current restrictions but adds a new section to the statutes. Other than specifically addressing PE, it does not alter existing law. I Street Advocates has sent a letter supporting the bill.

Connecticut

Connecticut heard [SB 1480](#) which is a CPoM bill and [HB 7196](#) is a general noncompete bill (not specific to physicians).

The CPoM bill requires a nursing home or hospital to be free of any new ownership interests by private equity companies or real estate investment trusts recorded on and after October 1st, in order to be eligible for Medicaid

reimbursement in the state for health care services. AAEM has already supported other CPoM bills in the state.

Indiana

HB 1666 (CPoM) and SB 475 (Noncompete) have passed their original chambers.

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. TNAEM has requested assistance opposing this legislation, and I Street launched an oppositional grassroots campaign. 75 physicians sent 217 emails to lawmakers asking them to oppose the bill. The bill is expected to be heard on March 19th.

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.