

THE WASHINGTON DEBRIEF



June 9, 2025

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Webinars and Member Engagement

New Cheat Sheet on President's FY 26 Budget Request

Key Takeaway: Recently, the Trump administration released more details on their budget request for Fiscal Year (FY) 2026, expanding on the "skinny budget" released earlier in May.

Why It Matters: The president's budget request outlines the administration's top policy priorities for the upcoming fiscal year—priorities that could have direct implications for your organization. To help you cut through the complexity, our team developed an easy-to-digest cheat sheet highlighting the key proposals most relevant to you, so you can stay informed and prepared.

Read Cheat Sheet Here

Congressional

Senate GOP Expected to Release Updated Reconciliation Package; CBO Score on H.R. 1

Key Takeaway: Congress will return later today as Senate Republicans look to release a revised version of <u>H.R. 1</u>, the One Big Beautiful Bill Act, that the House passed last month.

Why It Matters: After the titles for the Armed Services, Environment on Public Works (EPW), Commerce, and Banking Committee portions of the bill were unveiled last week, the remaining text from the Agriculture, Finance, HELP, and Energy Committees is set to be released by Friday, according to Majority Leader John Thune (R-SD). As of now, we do not expect any of the committees of jurisdiction to schedule a markup on their respective titles, but this could change depending on how talks among Senate Republicans proceed.

CBO Score for H.R. 1: On Wednesday, the Congressional Budget Office (CBO) released its <u>score</u> for H.R. 1. CBO estimates that the bill would grow the federal deficit by \$2.4 trillion over a decade. In addition to the overall bill score, CBO projects the bill would increase the number of people without health insurance in 2034 by nearly 11 million, including an estimated 1.4 million people without verified citizenship, nationality, or satisfactory immigration status who would no longer be covered in state-only funded programs. This score is likely to change, as the Senate is expected to make significant revisions to the bill.

Senate Confirms Jim O'Neill as HHS Deputy Secretary

Key Takeaway: On Thursday, the Senate <u>confirmed</u> Jim O'Neill to be Deputy Secretary of the Department of Health and Human Services (HHS) by a vote of 52 to 43.

Why It Matters: In his <u>testimony</u> before the Senate HELP Committee last month, Deputy Secretary O'Neill touted his experience as a Senate staffer in the 1990's helping Members of Congress shape bipartisan reforms including HIPAA. He also mentions his experience working at HHS for six years during the Bush Administration and partnering with entrepreneurs to advance cutting-edge research, technologies, and therapies in California. One of his top priorities once rejoining HHS is to "use science, economics, and artificial intelligence to improve the quality and affordability of health care."

Federal

White House Names Dr. Thomas Keane ASTP and Health IT National Coordinator

Key Takeaway: President Donald Trump has selected Dr. Thomas Keane, a radiologist, to serve as the second Assistant Secretary for Technology Policy (ASTP) and ninth National Coordinator for Health Information Technology at HHS. Dr. Keane precedes Dr. Micky Tripathi who held the position from Jan. 2021 to Jan. 2025. You can find Dr. Keane's bio <u>here</u>.

Why It Matters: ASTP is the principal federal entity charged with coordination of nationwide efforts to implement and use the most advanced health information technology and the electronic exchange of health information. The position of National Coordinator was created in 2004, through an <u>Executive Order</u>, and legislatively mandated in the Health Information Technology for Economic and Clinical Health Act (HITECH Act) of 2009.

White House Submits Recissions Request to Congress

Key Takeaway: The Trump administration is formally requesting to claw back roughly \$9.4 billion in funding, submitting what is known as a <u>"rescissions" request</u> to Congress.

Why It Matters: The rescissions package proposes cuts to funding for 22 programs, including programs at the Department of State, the Corporation for Public Broadcasting, the United States Agency for International Development, the United States Institute of Peace, and other international assistance programs. The request emphasizes the need to cut wasteful foreign assistance spending as well as the need to eliminate programs that are antithetical to American interests. Congress now has 45 days to address the White House's request, and Speaker Mike Johnson (R-LA) plans to bring it to the floor next week.

HHS Announces Appointment of OCR Director

Key Takeaway: HHS' Office for Civil Rights (OCR) has <u>announced</u> the appointment of Paula M. Stannard as Director. Most recently, Director Stannard served as Chief Legal Counsel of the Montana Department of Public Health and Human Services, where she led the Office of Legal Affairs. Learn more about Director Stannard's previous Federal service and legal experience <u>here</u>.

Why It Matters: In this role, Director Stannard is the Department's chief officer and adviser to Secretary Kennedy, Jr. concerning the implementation, compliance, and enforcement of Federal health information privacy, security, and breach notification rules under HIPAA as well as Federal civil rights, conscience, and religious freedom laws in HHS' jurisdiction.

FDA Launches Agency-Wide AI Tool to Optimize Performance for the American People

Key Takeaway: The U.S. Food and Drug Administration (FDA) <u>launched Elsa</u>, a generative Artificial Intelligence (AI) tool designed to help employees – from scientific reviewers to investigators – work more efficiently. According to the FDA, this tool will modernize agency functions and leverage AI capabilities to better serve the American people. Elsa is a large language model–powered AI tool designed to assist with reading, writing, and summarizing. It can summarize adverse events to support safety profile assessments, perform faster label comparisons, and generate code to help develop databases for nonclinical applications.

Why It Matters: Built within a high-security GovCloud environment, Elsa offers a secure platform for FDA employees to access internal documents while ensuring all information remains within the agency. The models do not train on data submitted by regulated industry, safeguarding the sensitive research and data handled by FDA staff. The agency is already using Elsa to accelerate clinical protocol reviews, shorten the time needed for scientific evaluations, and identify high-priority inspection targets. The introduction of Elsa is the initial step in the FDA's overall AI journey. As the tool matures, the agency has plans to integrate more AI in different processes, such as data processing and generative-AI functions to further support the FDA's mission.

Cybersecurity

ICYMI: Updated #StopRansomware Advisory on Play Ransomware Released

Key Takeaway: The Cybersecurity and Infrastructure Security Agency (CISA), the Federal Bureau of Investigation (FBI), and the Australian Signals Directorate's Australian Cyber Security Centre (ASD's ACSC) have issued an <u>updated advisory</u> on Play Ransomware, also known as Playcrypt.

Why It Matters: Since June 2022, Playcrypt has targeted diverse businesses and critical infrastructure across North America, South America, and Europe, becoming one of the most active ransomware groups in 2024. The FBI has identified approximately 900 entities allegedly exploited by these ransomware actors as of May 2025. Recommended mitigations include: implementing multifactor authentication; maintaining offline data backups; developing and testing a recovery plan; and keeping all operating systems, software, and firmware updated.

CISA Publishes Internet Exposure Reduction Guidance

Key Takeaway: CISA has published the <u>Internet Exposure Reduction Guidance</u> to help organizations identify and reduce vulnerabilities stemming from internet-exposed assets. Many organizations unknowingly leave systems—such as industrial control systems, supervisory control and data acquisition (SCADA) systems, and IoT devices—accessible online due to misconfigurations, default credentials, or outdated software. These exposures significantly increase the risk of cyberattacks and operational disruptions.

Why It Matters: The guidance outlines key steps to mitigate these risks, including assessing which assets are publicly accessible, determining the necessity of their exposure, and implementing strong security controls for those that must remain online. CISA also stresses the importance of evaluating each exposed service based on operational necessity, business justification, and existing security measures.

MS-ISAC Advisory: Critical Vulnerabilities in HPE StoreOnce

Software

Key Takeaway: The Multi-State Information Sharing and Analysis Center (MS-ISAC) released a <u>Cybersecurity Advisory</u> regarding multiple critical vulnerabilities in HPE StoreOnce Software, which could be exploited to allow remote code execution, authentication bypass, server-side request forgery, and arbitrary file deletion or information disclosure. HPE StoreOnce is a widely used data protection platform that leverages deduplication to optimize backup storage and recovery.

Why It Matters: These vulnerabilities, if successfully chained together, could lead to session hijacking and full system compromise. Affected systems include all versions of HPE StoreOnce Software prior to 4.3.11. While there are currently no reports of these vulnerabilities being exploited in the wild, the risk level is considered high for large and medium government and business entities, and medium for smaller organizations. MS-ISAC strongly recommends applying the latest patches from HPE immediately after proper testing, implementing least privilege principles, conducting regular vulnerability scans and penetration testing, and maintaining secure network segmentation and architecture.

Artificial Intelligence

Commerce Department Statement on Transforming the U.S. Al Safety Institute

Key Takeaway: Under the direction of President Trump, Secretary of Commerce Howard Lutnick <u>announced his plans</u> to reform the agency formerly known as the U.S. AI Safety Institute into the Center for AI Standards and Innovation (CAISI). The press release reads, in part, "AI holds great potential for transformational advances that will enhance U.S. economic and national security. This change will ensure Commerce uses its vast scientific and industrial expertise to evaluate and understand the capabilities of these rapidly developing systems and identify vulnerabilities and threats within systems developed in the U.S. and abroad."

Why It Matters: CAISI will serve as industry's primary point of contact within the U.S. Government to facilitate testing and collaborative research related to harnessing and securing the potential of commercial AI systems. CAISI will continue to operate within NIST and regularly collaborate and coordinate with other organizations within NIST, including the Information Technology Laboratory, as well as other bureaus within the Department of Commerce, including BIS.

Policy Team Picks of the Week

- Senate Republicans tip-toe around 'Medicaid cuts' (The Hill, June 9)
- <u>SBA sticks to DOGE cost-savings claims, though details and math —</u> remain fuzzy (FedScoop, June 6)
- The Al lobby plants its flag in Washington (Politico, June 6)
- <u>Live updates: Musk, Trump change subject day after nasty feud</u> (The Hill, June 6)
- <u>Trump's Cyber Pick Vows Interagency Cooperation If Confirmed</u> (HealthInfoSec, June 5)



CHIME | 455 E. Eisenhower Parkway Suite 300 | Ann Arbor, MI 48108 US

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