

NAVIGATING THE NEW POLITICAL LANDSCAPE: KEY INSIGHTS ON CONGRESS & THE ADMINISTRATION

FEBRUARY 11, 2025 | 12:30 - 1:30 PM ET



JP BRANDT

Senior Health Policy Counsel
Thorn Run Partners



STUART CHAPMAN

Partner
Thorn Run Partners



CHELSEA ARNONE

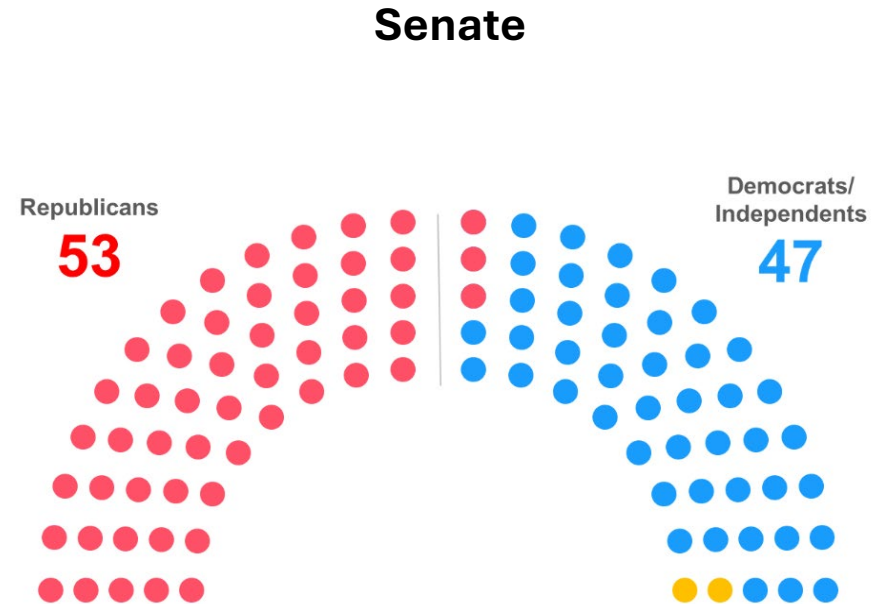
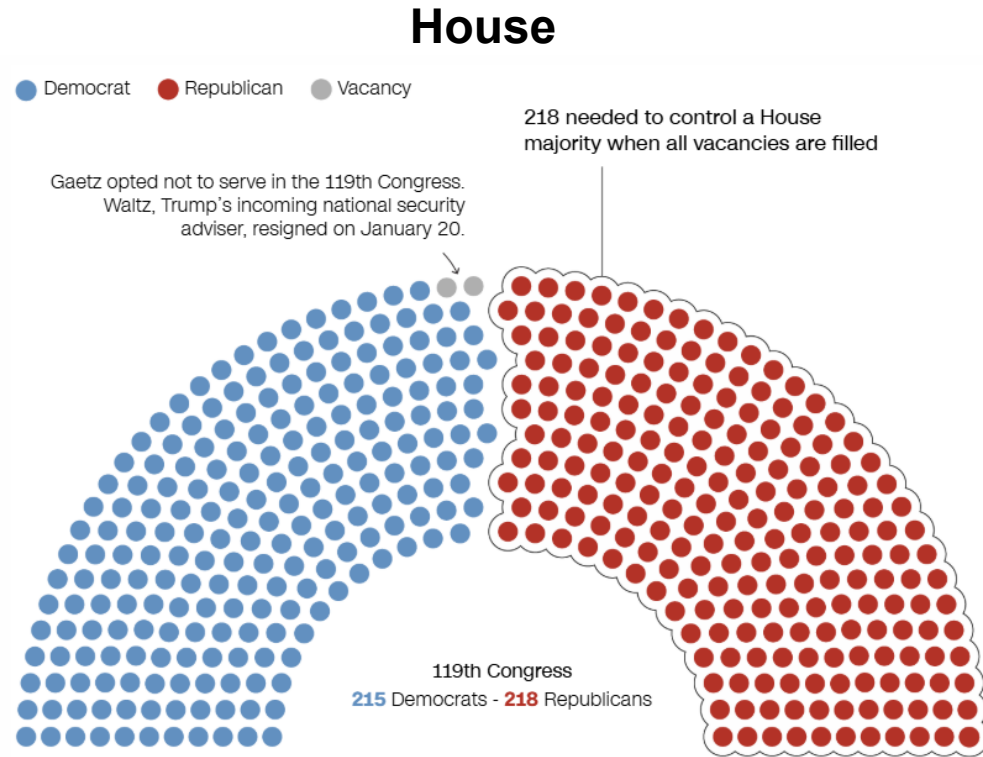
Director of Federal Affairs
CHIME



CASSIE BALLARD

Director of Congressional Affairs
CHIME

Congressional Breakdown

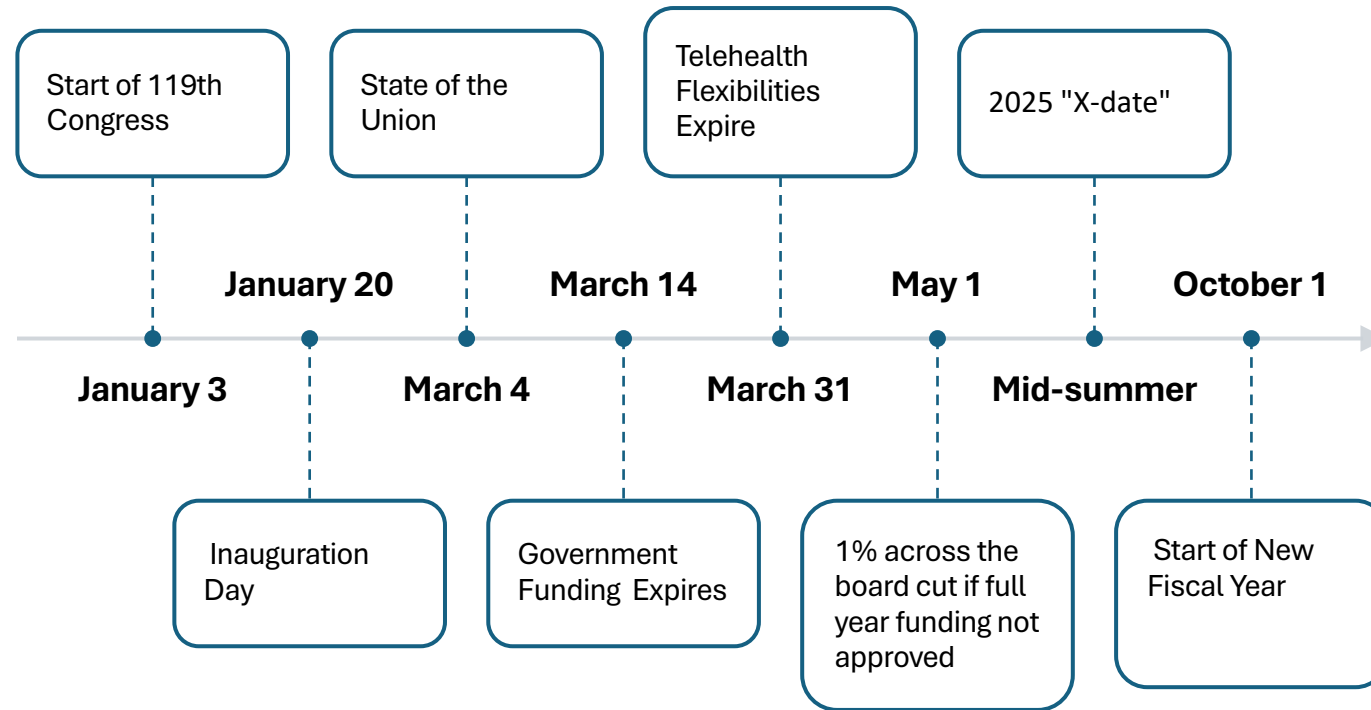


Source: Bloomberg
Government

Note: Data is as of January 20, 2025.

Source: US House of Representatives
Graphic: Annette Choi. CNN

Important Congressional Dates



Major "Must-Do" Items



Appropriations Update

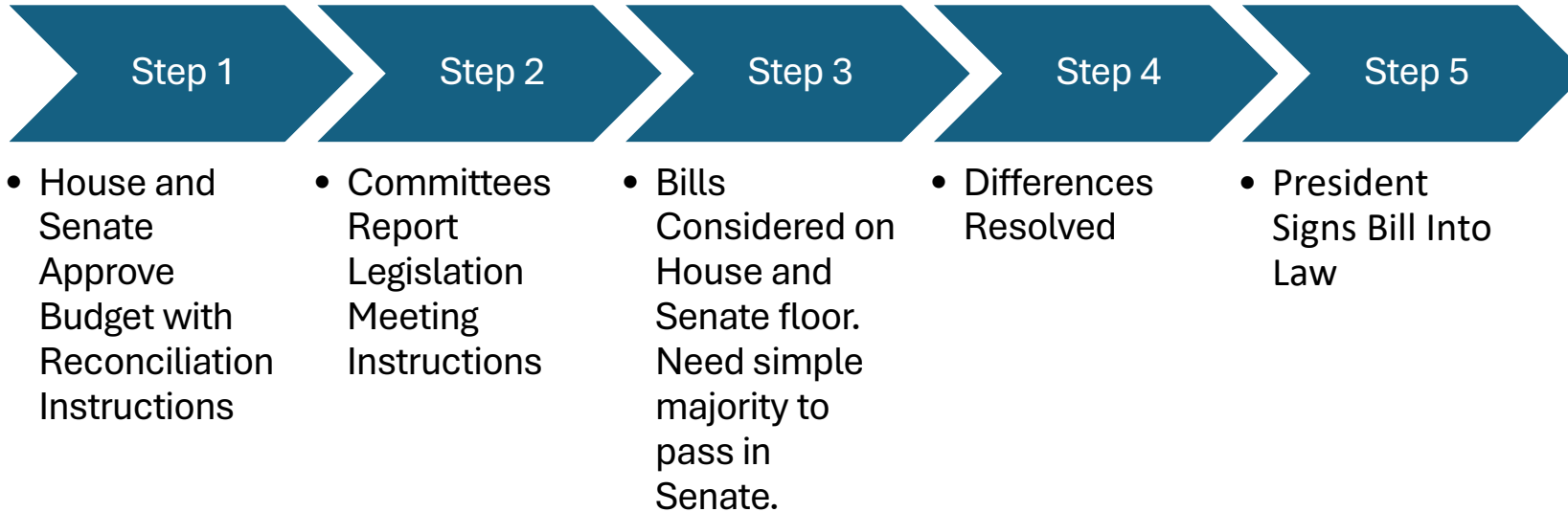
- Dec. 21 President Biden signed ([H.R. 10545](#)) the American Relief Act into law avoiding a government shutdown. Text can be found [here](#).
- Funds government through **March 14th**
- Does not include a debt limit extension (Trump priority).
- Telehealth flexibilities set to expire on March 31st
 - CHIME led [stakeholder letter](#)
- Possible outcomes:
 - Funding the government through another short-term CR
 - Fund the government through the remainder of the Fiscal Year (FY)
 - Cromnibus?
 - Government shutdown?
- FY 2026 appropriations

"The flexible telehealth policies put in place following the Public Health Emergency (PHE) have been nothing shy of a lifeline for millions of patients – they have increased virtual access to a wider array of clinicians and services, mitigated the clinician shortage, improved access to specialists, and shortened wait times to be seen."

Budget Reconciliation Process

- Congressional Republicans plan on executing President Trump's legislative agenda through a process called budget reconciliation
- Budget reconciliation allows Republicans to approve budget-related legislation with a simple majority (51 votes) in the Senate, bypassing filibuster rules which would otherwise require a bill to garner 60 votes to pass
- In 2017, Republicans advanced the Tax Cuts and Jobs Act using this process and will likely look to extend these tax cuts through this process
- Certain committees will be tasked with finding savings for the package
- One or two reconciliation bills?

Budget Reconciliation Process



Budget Reconciliation Process

- On Friday, Senate Budget Committee Chair Lindsey Graham (R-SC) released a draft budget resolution for fiscal year (FY) 2025
- According to a [statement](#) from Chair Graham, the resolution would authorize roughly \$84.5 billion in spending per year from FY 2025-2034, and will be offset by corresponding spending cuts (outlined in the next slide).
- The resolution appears to derive substantial savings from Medicare, Medicaid, and certain Affordable Care Act (ACA) provisions by assigning instructions to the Senate Finance Committee with corresponding instructions to the House Energy and Commerce Committee rather than the House Ways and Means Committee — making Medicaid the likely primary source of the projected savings.
- **Next steps:** The Senate Budget Committee will meet for a two-day markup of the budget resolution on Wednesday and Thursday



Documents

- [Press Release](#)
- [Text](#)
- [Tables](#)

"To Secure The Border, Revitalize Our Military, Unleash American Energy Production And Begin The Process Of Restoring Fiscal Sanity"

Budget Reconciliation Process

House Committee	Instructions	Senate Committee	Instructions
Agriculture	Must reduce deficit by at least \$1 billion	Agriculture	Must reduce deficit by at least \$1 billion
Education & Workforce	Must reduce deficit by at least \$1 billion	Energy & Natural Resources	Must reduce deficit by at least \$1 billion
Energy & Commerce	Must reduce deficit by at least \$1 billion	Finance	Must reduce deficit by at least \$1 billion
Natural Resources	Must reduce deficit by at least \$1 billion	Health, Education, Labor and Pensions (HELP)	Must reduce deficit by at least \$1 billion
Armed Services	Can increase deficit by up to \$150 billion	Armed Services	Can increase deficit by up to \$150 billion
Homeland Security	Can increase deficit by up to \$175 billion	Homeland Security & Government Affairs (HSGAC)	Can increase deficit by up to \$175 billion
Judiciary	Can increase deficit by up to \$175 billion	Judiciary	Can increase deficit by up to \$175 billion
Transportation & Infrastructure	Can increase deficit by up to \$20 billion	Commerce, Science & Transportation	Can increase deficit by up to \$20 billion
		Environment & Public Works	Can increase deficit by up to \$1 billion

Programs/Policies Likely to be in the Crosshairs

- Medicare site-neutrality
- Eliminate Medicare coverage of bad debt
- “Improve” uncompensated care payments (UCC)
- Reform ACA subsidies
 - Other ACA cuts/reforms including Market Place & eligibility
- Medicare Area Wage Index (AWI) reforms
- Graduate Medical Education (GME) reforms
- Preventing dual reclassification for hospitals under Medicare
- Removal of tax exemption status
- Medicaid reforms
 - Block grants, changes to eligibility



[List of policy options](#) to be rated high, medium, and low in viability

Nominations

- As of February 7th, 13 of President Trump's nominations have been confirmed by the Senate
 - **OMB**, Housing, AG, VA, Energy, Interior, EPA, Transportation, Treasury, **Homeland Security**, Defense, CIA, and State
- HHS: Robert F. Kennedy Jr.'s nomination to be Secretary of HHS passed out of the Senate Finance Committee on party lines. We expect his nomination to be voted upon on the Senate floor this week.
- Other nominations that may be considered on the floor next week:
 - Tulsi Gabbard to be Director of National Intelligence (DNI)
 - Howard Lutnick to be Secretary of Commerce
 - Brooke Rollins to be Secretary of Agriculture
 - Kelly Loeffler to be Small Business Administrator
- Impact on agencies?



Trump 2.0 – Unprecedented Times

- DOGE – impact on staffing of agencies, unprecedented times and legal ramifications
- Testing the limits of executive branch & its power
- Lots of question marks
 - Musk trying to upend the federal workforce/“buyout” program
 - Impact on how the federal government operates depending on changes made (i.e., experienced government staff vs. political)
 - Current [federal hiring freeze](#)
- Impact of nominees on agencies...TBD
- New HHS/CMS staff (and some returning from Trump 1.0)
 - Staff moving from administration to Hill, Hill to administration



Executive Orders (EOs) & Memorandums

Title	Date	Summary
Unleashing Prosperity Through Deregulation (EO here ; Fact Sheet here)	1/31/2025	Mandates that for every new rule, regulation, or guidance document introduced, at least ten existing regulations must be repealed/eliminated; total cost of new regs for FY 25 must be “significantly less than zero”
Initial Rescissions of Harmful Executive Orders and Actions (here)	1/20/2025	Revokes numerous directives from the previous administration pertaining to racial equity, environmental protections, healthcare accessibility, ethical standards in government, LGBTQ+ rights, immigration policies, pandemic response, and various climate and energy initiatives.
Regulatory Freeze Pending Review (here)	1/20/2025	Mandates a regulatory freeze across all executive departments and agencies, prohibiting the proposal or issuance of new rules until they are reviewed and approved by presidential appointees.
Establishing & Implementing the President’s Department of Government Efficiency (DOGE) (here)	1/20/2025	Rename the US Digital Service the US DOGE Service as an agency to maximize government efficiency and modernize federal technology

Check out Thorn Run’s complete tracker of EOs [here](#)

DEI Impact

Title	Date	Summary
Ending Radical And Wasteful Government DEI Programs and Preferencing (here)	1/20/2025	Directs the termination of all federal diversity, equity, inclusion (DEI) and environmental justice programs, positions, and initiatives implemented under previous administrations.
Reforming the Federal Hiring Process and Restoring Merit to Government Service (here)	1/20/2025	Directs the development of a Federal Hiring Plan to modernize recruitment, reduce hiring timelines, enhance communication with candidates, and ensure the allocation of skilled personnel to critical government functions, while establishing accountability measures to track progress and effectiveness.
Ending Illegal Discrimination And Restoring Merit-Based Opportunity (here)	1/21/2025	Directs agencies to ensure compliance with civil rights laws, revokes previous orders promoting DEI, and mandates measures to promote merit-based practices and accountability in federal hiring and contracting.

Status of ONC/ASTP



- On July 25, 2024, HHS announced a reorganization that, among other things, renamed the Office of the National Coordinator for Health Information Technology (ONC)
 - ONC is now dually titled as the Assistant Secretary for Technology Policy and Office of the National Coordinator for Health Information Technology (ASTP/ONC) per the Federal Register notice
- **Micky Tripathi resigned – there has not yet been anyone tapped to lead ASTP/ONC**
- Flexibilities that allow federal agencies to adapt to changing priorities and policies set by the administration
- If Trump wanted to undo the reorganization they could through the standard processes for federal agency management
- In short – the Biden administration changed the ONC to ONC/ASTP, the Trump administration could revert it back to ONC if they chose to do so

Regs Moving Forward

Biden-era Regulations

- Office for Civil Rights (OCR) HIPAA Security Rule
- ASTP's "Health Data, Technology, and Interoperability: Protecting Care Access" aka "HTI-3" final rule
- Future of CIRCIA – could be watered down
- The incoming administration & Congress have a variety of ways to review, amend, or repeal regulations and "midnight regulations"
 - Midnight regulations are regulations and regulatory activity that occurs after the election and before the incoming administration takes over

Upcoming Regulations

- Impact on annual payment regulations (e.g., Inpatient Prospective Payment System (IPPS) proposal)



INTRODUCING



Powered by CHIME + HLTH

viveevent.com

Cyber-focused Policy Sessions

Monday, Feb. 17

- Securing the Future: Cybersecurity Strategies in Digital Health panel at the CHIME Breakfast (CHIME members only) - 8:00 am CT
- HIPAA Security Rule Reopened and Revised: Possible Implications for Healthcare Providers (First Health sponsoring) – 12:30 pm CT

Tuesday, Feb. 18

- Rural Health IT Breakfast (invite only) – 7:00 am CT
- Change Healthcare Breach: No Message Could've Been Any Clear - 4:15 pm CT

You're Invited!

CHIME PUBLIC POLICY

COFFEE

Meet Up

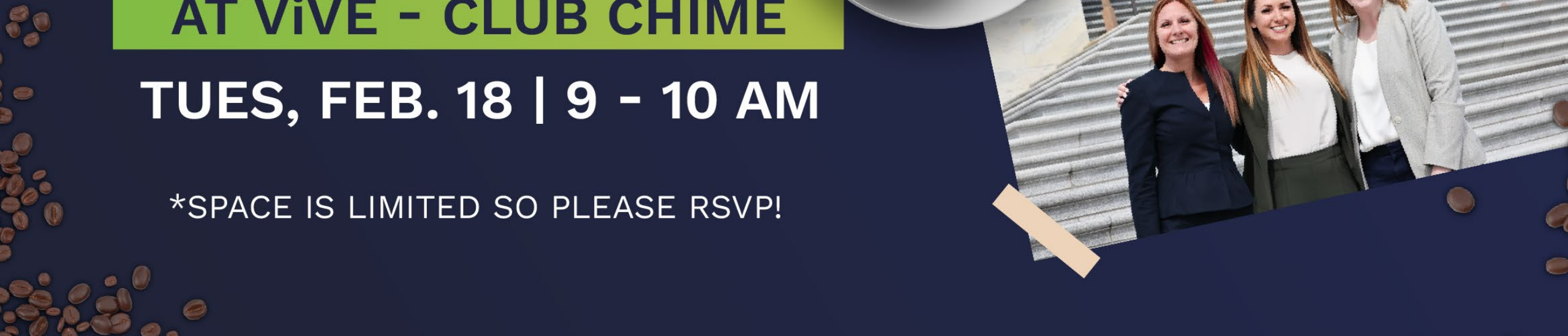
AT VIVE - CLUB CHIME

TUES, FEB. 18 | 9 - 10 AM

*SPACE IS LIMITED SO PLEASE RSVP!

CHIME PUBLIC POLICY

WORKING FOR YOU IN WASHINGTON



Recent CHIME Public Policy Resources

- [CHIME Cheat Sheet](#) – ASTP’s HTI-1, 2, & 3 Regulations Overview, Background, & Outlook
- [CHIME Cheat Sheet](#) – HIPAA Security Proposed Rule
- [Crosswalk](#) of HIPAA Security Proposed Rule provisions to HHS Cybersecurity Performance Goal

Stay in Touch with CHIME's Public Policy Team

- Email us at policy@chimecentral.org to set up a 1-1 call or to sign up for our newsletter, the Washington Debrief
- Follow us on LinkedIn:
 - [Chelsea Arnone](#)
 - [Cassie Ballard](#)
 - [Mari Savickis](#)

