



The NEA Monthly Lobbyist Report for Members



NEA January 2025 Federal Advocacy Report

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Work on the Hill

Throughout January, Congress has been focused on the transition of power following the November elections. President Trump and Vice President Vance were inaugurated on January 20th, and Congress has been holding confirmation hearings for the new cabinet nominees. Discussions are underway regarding potential legislative priorities for the new administration, with healthcare, energy policy, and infrastructure investment emerging as key areas of focus. Additionally, Congress is facing a deadline to reauthorize several expiring programs, including those related to agriculture and transportation. Debate is expected on the appropriate levels of spending for these programs, with potential for partisan disagreements.

Senate Finance Health Staff Meeting: Senator Cassidy's health staff on the Finance Committee walked Lobbyit through a number of healthcare priorities for the upcoming year.

On short-term coverage plans: Sen. Cassidy overwhelmingly supports bringing back these short-term plans. During the Biden Administration he led a group of Senators in pushing back against the change and has assured us that he will continue to advocate for a return of these additional coverage options.

On the PFS: Congress is working to identify the best way to pay for a permanent fix and in the meantime is looking to offset the current cuts. The specific method of fix has yet to be determined, but potentially site neutral payments is an option.

On telehealth: Congress considers this a more settled issue this year but is working a long-term permanent fix for next year. In the meantime, Congress will continue to solicit feedback and input from stakeholders.

On the coming site neutrality package: The package will be introduced sometime in late spring and will not be punitive in nature, with the focus on reinvesting the savings back into healthcare, focusing on ensuring that critical access and rural hospitals do not lose essential funding.

On POH: Sen. Cassidy expects the bill covering rural POH to pass this Congress with the rest of the country following soon after.

On mental health in general: Congress is becoming increasingly concerned about mental health as the availability of providers has reached a critical low point compared to demand for services. Sen. Cassidy expects this to be a sticking point this Congress, with the potential for numerous hearings across different committees of jurisdiction.

Legislative Update

HR 379: Healthcare Freedom and Choice Act

Summary: This bill reinstates individuals' access to short-term, limited-duration insurance (STLDI) plans for up to 36 months, an increase from the Biden Administration's rule limiting access to 4 months. STLDI provides Americans with affordable, temporary health coverage options. For millions of Americans, STLDI is the only option for filling a gap in health insurance coverage.

Sponsor: Rep. Buddy Carter (R-GA)

Legislative Preview: Health

Congress must pass a spending bill to fund the Department of Health and Human Services (HHS) and decide whether to extend key health programs and premium tax credits to help Americans afford health insurance. The Senate also needs to confirm President-elect Donald Trump's HHS Cabinet picks. Health programs, such as telehealth services and Medicare payments, as well as the expiration of premium tax credits at the end of 2025, are central to the negotiations.

A top priority is avoiding a lapse in funding, as a stopgap law currently extends funding through March 14. With Republicans controlling the House and Senate, they will have more leverage in shaping the funding bill, though Democrats will need to be involved due to the Senate's 60-vote threshold.

In addition, several health policies, including drug pricing reforms and opioid treatment extensions, may be included in future reconciliation bills. Republicans may also debate changes to Medicaid financing, but opinions on extending the enhanced premium tax credits vary within the party. Lawmakers also need to begin confirming HHS nominees and schedule hearings for positions like the HHS Secretary .

Legislative Preview: Appropriations

Congress must finalize a spending bill to complete fiscal 2025 appropriations before the March 14 deadline, currently extended under a stopgap spending law. Key priorities include resolving differences on defense and nondefense funding levels and deciding the fate of earmarks, which total approximately \$8 billion in the proposed bills.

Republicans, controlling both chambers and the White House, will have more influence in shaping appropriations but must work with Democrats due to the Senate's 60-vote threshold. The challenge is intensified by House Republicans' proposals for steep nondefense cuts, conflicting with Senate preferences for spending increases.

A debt-limit provision offers Democrats leverage by imposing defense cuts if Congress relies on stopgap funding beyond May, while keeping nondefense spending flat. Another hurdle is the revised House rules, which make it more difficult to expedite appropriations bills for floor votes.

In addition, Republicans aim to reconcile fiscal 2025 appropriations with a border security and defense package through budget reconciliation, creating a crowded legislative schedule. Earmarks face potential elimination if Trump opposes them, despite bipartisan support for retaining the practice.

Looking ahead, Congress must also address the fiscal 2026 budget under newly set discretionary spending caps. Both defense and nondefense programs face tight restrictions, which may lead to further bipartisan negotiations or legislative adjustments to spending limits.

What 2025 could mean for health care policy

Trump's picks to lead key healthcare agencies, including Robert F. Kennedy Jr. for HHS, Dr. Dave Weldon for the CDC, and Dr. Mehmet Oz for CMS, reflect his administration's intention to shake up the sector. Kennedy, who has promised to tackle chronic diseases, has raised questions about the administration's stance on vaccines, given his history of vaccine skepticism. Weldon and Oz, both political outsiders, also bring unconventional perspectives to their roles, potentially leading to significant shifts in agency priorities.

One critical focus will be Kennedy's confirmation hearing, where his positions on issues such as reproductive rights and climate change's impact on public health could come under scrutiny.

The administration will also face decisions on telehealth regulations, Medicaid reform, and Medicare provider pay reforms. Telehealth rules for virtual prescribing of controlled substances, extended by the Biden administration until 2025, may see further revisions. Meanwhile, potential Medicaid cuts could face political resistance given the program's 70 million enrollees, and bipartisan efforts may emerge to overhaul Medicare payment systems and implement site-neutral payment policies.

Kennedy's chronic disease focus could shift public health priorities away from infectious diseases, a concern given ongoing avian flu outbreaks affecting cattle and humans. At the same time, the Trump administration must navigate existing drug pricing policies under the Inflation Reduction Act, defend the law against legal challenges, and address growing cybersecurity threats to the health sector. The administration's approach to abortion policy, including privacy protections and transgender health care rights, will be closely watched, particularly as Trump has indicated he would leave abortion laws to the states.

At the CDC, Weldon will face challenges such as responding to the H5N1 bird flu and reversing declining vaccination rates among children. Budget cuts to the agency, proposed by some Republicans, could hinder its ability to address infectious diseases effectively. At the NIH, Trump's nominee Dr. Jay Bhattacharya could support Republican-led reforms aimed at restructuring the agency, including reducing the number of institutes and increasing transparency. Bhattacharya's stance on gain-of-function research and his potential alignment with efforts to uncover Covid-19's origins will likely shape NIH's trajectory.

FDA policies may also see significant changes. The agency's tobacco center faces potential shifts in its approach to nicotine limits and menthol bans, given Trump's past support for the vaping industry. Laboratory-developed tests could be deregulated, and debates over extending Medicare coverage for anti-obesity drugs such as semaglutide may intensify. Additionally, the administration will need to address the potential expiration of Obamacare subsidies, which would require congressional action to prevent disruptions to the insurance market.

Global health initiatives such as PEPFAR and a pandemic agreement under WHO oversight could face uncertainty under the new administration. Trump's criticism of the WHO raises questions about continued U.S. participation in global health talks. Meanwhile, the administration's approach to opioid use disorder will be critical, with stricter border controls promised to combat fentanyl trafficking.

Artificial intelligence (AI) in health care presents another pressing issue. While Trump aims to foster AI innovation, conflicting advice from figures such as Elon Musk could lead to stricter oversight. The FDA's role in regulating AI, including ensuring its safety in health systems, may require additional funding and authority from Congress.

Trump temporarily freezes all regulatory work

President Donald Trump has signed an executive order freezing all ongoing regulatory work across the federal government. This pause allows Trump's administration to review and determine which regulations should move forward or be altered. The freeze applies to all rules set to be proposed or published in the Federal Register until Trump-appointed officials have reviewed and approved them. However, exceptions will be made for rules with statutory or judicial deadlines, or emergency situations. Some regulations may proceed as originally intended by the previous administration.

The executive order is a strategic move to reassess regulations, similar to actions taken by Trump at the start of his first term and by President Joe Biden in 2021. For rules already sent to the Federal Register but not yet published, they will be withdrawn for review, and for those recently published but not yet effective, the implementation will be delayed by 60 days.

FTC: PBMs marked up generics for chronic illnesses

A new Federal Trade Commission (FTC) report reveals that the three largest pharmacy benefit managers (PBMs) — CVS Caremark, Express Scripts, and OptumRx — significantly marked up generic drugs used to treat serious illnesses like cancer, heart disease, and HIV. The report, which covers data from 2017 to 2022, found that these PBMs and their affiliated pharmacies generated over \$7.3 billion in revenue by dispensing medications at prices above their estimated acquisition costs. This markup was deemed as "very significant overcharging" by an FTC official.

The Pharmaceutical Care Management Association, which represents PBMs, argued that the report fails to fully recognize the cost savings PBMs achieve or the clinical support provided by specialty pharmacies for patients with complex medical conditions. CVS Health also criticized the FTC's conclusions, claiming the agency's reports are misleading and focus on industry interests that would benefit from reducing the role of PBMs.

This follows the FTC's ongoing investigation into PBMs, with a previous report highlighting their market dominance, which fills 95% of prescriptions nationwide and pushes independent pharmacies out of business. The FTC's findings have prompted bipartisan calls for stricter regulation of PBMs, and the agency plans to continue its work with PBMs to address data issues while urging Congress to take action on the industry's regulation.

Bills by Issue

No bills to show.