Appropriations Updates

With one week left until the deadline to fund the government, Congress found itself in a standoff this week, with House Republicans pushing a full-year continuing resolution (CR) instead of negotiating a broader FY 2025 spending deal, and Speaker Mike Johnson (R-LA) announcing plans to bring the measure to the House floor next week. This news comes after President Donald Trump personally met with Congressional Republicans, including House Freedom Caucus members, earlier in the week to rally them behind a full-year CR to fund the government at current spending levels through the end of September. Additionally, the Trump administration has pushed for some selective funding, such as for military pay and shipbuilding, meanwhile lawmakers disagree over whether an extension beyond April 30 would trigger automatic spending cuts under the 2023 Fiscal Responsibility Act (FRA).

Despite news that top House and Senate appropriators made progress this week on FY 2025 topline numbers, that momentum <u>diminished</u> towards the end of the week with Senate Appropriations Chair Susan Collins (R-ME) characterizing the talks as ongoing but not "promising at this point" (Politico Pro, subscription required). Sen. Collins reaffirmed the likelihood that the House would send a full-year CR to the Senate next week. House Appropriations Committee Ranking Member Rosa DeLauro (D-CT) and Senate Appropriations Committee Vice Chair Patty Murray (D-WA) <u>released a statement</u> lamenting the decision to go to full-year CR.

The funding bill <u>may not be totally "clean"</u> as some lawmakers are pushing for certain health policy provisions to be included. These proposed provisions include measures to avert cuts to the Medicare physician fee schedule and extend eased Medicare telehealth rules. However, it is important to note that Speaker Johnson has been promising a "clean" CR that would fund the government at current levels through the end of the fiscal year, September 30.

Regarding the timeline for the CR, House Republicans are aiming to release text of their full-year stopgap bill this weekend or early next week, moving it through the Rules Committee and then a floor vote. However, these timelines could be delayed. It is unclear if House Democrats will help Republicans pass a long-term CR, but Minority Leader Jeffries has not ruled out any options, stating that Democrats will "have a conversation" early next week on their gameplan (Bgov, subscription required). If the House can successfully pass a long-term spending patch next week, Senate Republicans will still need help from at least eight Democrats to get a House-passed funding bill through their chamber.

Budget Updates

In recent weeks, the Senate Budget Committee and the House have each narrowly passed their own budget resolutions, however, the efforts continue to face hurdles as the two chambers reconcile their different approaches. The House resolution that passed last week uses a one-bill approach to tie together border, energy, and defense policy with an overhaul on tax policy. Meanwhile, the Senate began a two-bill strategy, intending to save the proposed tax measures in a separate bill later this year, but is now aiming to bring the House budget resolution to the floor. This week Senate Majority Leader John Thune (R-ND) confirmed that the Senate will not plan to vote on a budget resolution before their mid-March recess starting March 14, the same day as the government funding deadline. Senate Republicans are discussion options, including switching to the one-bill track favored by the House, but ultimately noted that the Senate would focus floor activity next week on the funding deadline, not the budget.

-

Hill Updates

- President Trump delivered a joint address to Congress, setting a record for the
 longest speech to a joint session, and highlighting the partisan divides between
 Congressional Democrats and Republicans. Regarding health-related policy, the
 President promised to tackle childhood cancer through the new Presidential
 Commission to Make American Healthy Again, chaired by HHS Secretary, Robert F.
 Kennedy, Jr. Notably, Trump did not mention Medicaid or Medicare during his
 speech, although Congressional Democrats held signs reading "Save Medicaid."
- Legislative movement on the Treat and Reduce Obesity Act (TROA) is on hold while
 the Trump administration decides on a proposed CMS rule that would allow
 Medicare and Medicaid to cover anti-obesity medications, a key factor in lowering the
 bill's cost. If the rule is finalized, it could improve TROA's chances of passing by
 reducing its budget impact. Notably, ongoing Medicare drug price negotiations,
 particularly concerning Novo Nordisk's semaglutide-based medications, could also
 influence the cost of TROA, with concerns that removing these drugs from
 negotiations might increase the bill's overall price (Inside Health Policy, subscription
 required).
- On March 3, Reps. Mike Kelly (R-PA), Mike Thompson (D-CA), and Adrian Smith (R-NE), members of the House Ways and Means Subcommittee on
 Health, <u>announced</u> the introduction of <u>H.R. 1614</u>, legislation to expand the list of
 practitioners eligible to furnish telehealth services under the Medicare program. The
 list of eligible practitioners would include qualified physical therapists, occupational
 therapists, speech language pathologists, and audiologists.

Administration Updates

- The NIH is <u>seeking public feedback</u> on its draft framework for the NIH Strategic Plan for Disability Health Research (FY26-FY30) to guide research priorities and improve health outcomes for people with disabilities. The plan focuses on four key goals: advancing innovative research, fostering partnerships, increasing disability inclusion in research, and developing a diverse scientific workforce. Responses to this Request for Information (RFI) are due by March 12, 2025, and can be submitted here.
- On February 28, HHS <u>issued</u> a new policy limiting the requirement for public notice and comment before finalizing rules, particularly for grants, benefits, and contracts, while also broadening the "good cause" exemption. This change allows HHS agencies to implement or repeal regulations without the traditional public input period. While the full impact remains uncertain, it may result in stakeholders needing to respond rapidly to new rules.

Yvette M. Salas MSN, CRRN Health Policy Chair