



# HK Health Dose: March 19, 2025

A weekly dose of healthcare policy news

## Looking Ahead: First Break for Congress

This week, both chambers of the U.S. Congress will be out of session – the first break for members since the start of the 119th Congress.

## Hearings This Week: None Scheduled

No hearings are expected to be held this week.

## Week in Review: Senate Passes CR to Avoid Shutdown

The U.S. Senate passed a continuing resolution (CR) to avert a government shutdown and fund the federal government through Sept. 30, 2025. The CR includes several important extensions of healthcare policies such as telehealth but does not include other priorities from the December 2024 health title, including addressing physician payment cuts.

The Senate Committee on Health, Education, Labor, and Pensions (HELP) voted 14-9 on March 13, 2025, to advance the nomination of Dr. Martin Makary to be Commissioner of the U.S. Food and Drug Administration (FDA), with Democratic Sens. Maggie Hassan (D-N.H.) and John Hickenlooper (D-Colo.) joining all Republicans. The HELP Committee also voted to advance the nomination of Dr. Jayanta Bhattacharya to be Director of the National Institutes of Health (NIH) 12-11, along party lines. Both nominations now will be considered by the full Senate, where a GOP majority is expected to confirm both.

The nomination of former Rep. Dave Weldon to be Director of the Centers for Disease Control and Prevention (CDC) was withdrawn by the White House on March 13, 2025, following significant concerns raised by Senate Republicans regarding Weldon's past criticisms of vaccines. President Donald Trump is expected to announce a new nominee in the coming weeks.

## Dr. Mehmet Oz Appeared Before Senate Finance Committee for Confirmation Hearing

Dr. Mehmet Oz, who has been nominated to be the Administrator of the Centers for Medicare & Medicaid Services (CMS), appeared before the U.S. Senate Committee on Finance on March 14, 2025, for his confirmation hearing. During the hearing, Dr. Oz was asked about reigning in "upcoding" by Medicare Advantage plans (which has contributed to higher healthcare costs), using artificial intelligence (AI) in healthcare settings and at CMS to automate certain agency functions, and whether he would oppose cuts to Medicaid benefits for beneficiaries.

## ADMINISTRATION UPDATES

### Executive Order Updates

The Trump Administration has continued to release wide-ranging executive orders (EOs). For real-time updates, see Holland & Knight's [2025 Executive Orders: Updates and Summaries landing page](#).

### Additional EOs Issued by Previous Administration Rescinded

President Trump announced on March 14, 2025, the rescission of additional healthcare-related EOs issued by the Biden Administration, including:

- Executive Order 13994 of Jan. 21, 2021: Ensuring a Data-Driven Response to COVID-19 and Future High-Consequence Public Health Threats



- Presidential Determination 2022-13 of May 18, 2022: Delegating Authority Under the Defense Production Act to Ensure an Adequate Supply of Infant Formula
- Executive Order 14081 of Sept. 12, 2022: Advancing Biotechnology and Biomanufacturing Innovation for a Sustainable, Safe, and Secure American Bioeconomy

## **Make America Healthy Again (MAHA) Commission Holds First Meeting**

The MAHA Commission held its first meeting on March 11, 2025. The agenda and attendee list for the meeting was not publicized; however, attendees reportedly included White House Press Secretary Karoline Leavitt, Secretary of the U.S. Department of Health and Human Services (HHS) Robert F. Kennedy Jr., Advisor Vani Hari and Counselor to the President Alina Habba.

## **Personnel Updates**

Sen. Jeanne Shaheen (D-N.H.) announced she will not run for reelection in 2026. The impact from this announcement caused a significant stir. Following the announcement, former New Hampshire Gov. Chris Sununu signaled he is reconsidering running for the seat.

## **LEGISLATIVE UPDATES**

### **Reconciliation**

Congress passed, and President Trump signed, a CR to fund the federal government through Sept. 30, 2025. The physician payment cut remedy, or "doc fix," was not included in the CR, and conversations continue about its potential inclusion in a reconciliation package. However, a short-term, two-year fix has been estimated to cost \$2 billion, a significant cost that will likely need to be offset to meet the amount required to fully extend and offset the cost of continuing tax cuts from the Tax Cuts and Jobs Act.

Healthcare extenders included in the finalized CR include:

- extension of certain provisions for low-volume hospitals and the Medicare-dependent hospital program
- extension of add-on payments for ambulance services
- ongoing funding for quality measure endorsement, input and selection
- continued outreach and assistance for low-income programs
- extension of the work geographic index floor
- prolonged telehealth flexibilities
- extension of authorities for acute hospital care at-home waivers
- temporary inclusion of authorized oral antiviral drugs as covered Part D drugs
- delaying Medicaid disproportionate share hospital (DSH) reductions
- continuation of Medicare sequestration

### **HALT Fentanyl Act (S. 331) Passes Senate**

The Senate passed the Halt All Lethal Trafficking (HALT) of Fentanyl Act (S. 331) by a vote of 84-16 on March 14, 2025. The legislation permanently places fentanyl-related substances under Schedule I of the Controlled Substances Act (CSA), a category of drugs with no currently accepted medical uses and a high potential for abuse. While fentanyl is a powerful substance that has been approved by the FDA and is often used for treating post-surgical cancer and other pain, fentanyl-related substances are synthetic opioids that are similar in chemical structure, often manufactured and distributed illicitly. Fentanyl-related substances had previously been classified temporarily as Schedule I substances, though their temporary placement is set to expire on March 31, 2025, without further action by Congress.



The U.S. House of Representatives passed a similar but not identical version of the HALT Fentanyl Act (H.R. 27) on Feb. 10, 2025. The two bills must now be reconciled, but with significant bipartisan support in both chambers, the measure is likely to head to President Trump's desk in some form.

## **Congressional Doctors Caucus Added to Caucus List, Criticizes Physician Fee Schedule Cuts**

The Congressional Doctors Caucus has officially been added to the 119th Congressional Member and Staff Organizations (Caucuses) list. The caucus is co-chaired by all six Democratic physicians in the House of Representatives: Ami Bera (D-Calif.), Raul Ruiz (D-Calif.), Kim Schrier (D-Wash.), Maxine Dexter (D-Ore.), Kelly Morrison (D-Minn.) and Herb Conaway (D-N.J.). Following the passage of the Full-Year Continuing Appropriations and Extensions Act, 2025 on March 14, the group issued a statement condemning leadership for not addressing the physician fee schedule cuts that took effect at the start of 2025. The Congressional Doctors Caucus joins the GOP Doctors Caucus, which represents the Republican healthcare professionals in the House of Representatives: Reps. Greg Murphy (R-N.C.), John Joyce (R-Pa.), Bob Onder (R-Mo.), Rich McCormick (R-Ga.), Mark Green (R-Tenn.), Ronny Jackson (R-Texas), Mariannette Miller-Meeks (R-Iowa), Diana Harshbarger (R-Tenn.), Jeff Van Drew (R-N.J.), Buddy Carter (R-Ga.), Neal Dunn (R-Fla.), Paul Gosar (R-Ariz.), Brian Babin (R-Texas), Scott DesJarlais (R-Tenn.), Andy Harris (R-Md.) and Mike Simpson (R-Idaho).

Congress is also facing growing pressure from physician organizations to resolve the issue of the cuts. More than 100 groups sent letters to lawmakers urging them to take action to protect Medicare patient access. These organizations called for the inclusion of language addressing the 2025 Medicare physician payment cuts in the government funding package prior to the vote, underscoring the urgency of the issue. Notably, Rep. Greg Murphy, M.D. (R-N.C.) announced March 10 via social media that House Speaker Mike Johnson (R-La.) and Majority Leader Steve Scalise (R-La.) will work to eliminate the 2.8 percent physician payment cut that took effect in January, using the budget reconciliation process. However, this does not guarantee agreement in the Senate.

If Congress doesn't implement a temporary fix for the 2.83 percent cut to the conversion factor (CF) this year, physicians will not face the same issue of the temporary patch expiring, as seen in the past five years. The 2.83 percent cut this year was linked to the expiration of the 2.93 percent legislative update to the CF from last year, rather than budget neutrality. In contrast, the budget neutrality adjustment resulted in a 0.05 percent increase. The 2021 Medicare Physician Fee Schedule (MPFS) introduced a 10.2 percent cut, driven by changes in office and outpatient Evaluation and Management (E/M) codes, along with the implementation of G2211 in 2024. If no action is taken this year, the full 10.2 percent reduction will take effect in CY 2025. If Congress does not implement a temporary fix this year, the CF for 2026 would be updated by 0.25/0.75 percent under the Medicare Access and CHIP Reauthorization Act of 2015 (MACRA), along with any necessary budget neutrality adjustments.

## **CDC Workgroup Announced by HELP Committee Chair Cassidy**

On March 13, 2025, HELP Committee Chair Bill Cassidy (R-La.) announced several Republican committee members named to a workgroup focused on potential legislative reforms to the CDC. The group includes Sens. Ron Johnson (R-Wis.), Mike Lee (R-Utah), Roger Marshall, M.D. (R-Kan.), Lisa Murkowski (R-Alaska), Rand Paul, M.D. (R-Ky.) and Tim Scott (R-S.C.). In September 2023, then-Ranking Member Cassidy requested information from stakeholders on how to reform the CDC and its practices. Although it's not clear what timeline the group may work on or produce legislation by, reforms to CDC and other healthcare agencies are likely to be considered by the HELP Committee this Congress.

## **REGULATORY UPDATES**

### **Tariffs on Mexico, Canada and China Update**

A 25 percent tariff on steel and aluminum from all countries took effect March 13, 2025, to which the European Union (EU) placed \$28 billion in counter-tariffs on U.S. goods. In response to the tariff on whiskey, President Trump said the U.S. will place a 200 percent tariff on alcohol beverages from the EU. Additionally, President Trump has said he would impose a 25 percent tariff on all pharmaceutical products entering into the U.S. The generic drug industry has expressed concerns that these tariffs may have tumultuous impacts to supply chain functionality, arguing this move may cause more shortages than would be solved from reshoring.



## Deadline to Register for CMS Medicare Drug Price Negotiation Public Events Extended

CMS is [extending the deadline](#) for members of the public to register for public engagement events related to the second cycle of Medicare Drug Price negotiations. Individuals may register until March 19, 2025, to participate in public engagement events. Registration is not required, and a livestream will be provided.

## CMMI Models Canceled

The Centers for Medicare and Medicaid Innovation Center (CMMI) announced it will cancel or discontinue eight models that are intended to test new payment models for healthcare services. Models that will be canceled include a model to offer \$2 generic drugs for Medicare patients and another model designed to incentivize drug manufacturers to complete confirmatory clinical trials for accelerated approval drugs. Four additional models that will be ended early include Maryland Total Cost of Care, Primary Care First, ESRD (End-Stage Renal Disease) Treatment Choices and Making Care Primary. While cancelling or discontinuing these programs is estimated to save \$750 million according to CMS' own estimates, the larger policy battle will be over the future of CMMI writ large. The House Committee on Energy and Commerce held a hearing on CMMI where members debated the CMMI's \$10 billion budget, which is not subject to annual appropriations. It is rumored that CMMI decided to retain the AHEAD Model, but with a notable change: The "E" now stands for "Efficiency" instead of "Equity."

## HHS Eliminates 6 Regional Offices for Legal Staff

The HHS announced on March 12, 2025, that it would close six regional offices where attorneys under the HHS Office of General Counsel (OGC) work. Those offices are Boston, New York, Chicago, Dallas, San Francisco and Seattle. OGC operations in Philadelphia, Atlanta, Denver and Kansas City will be consolidated. As part of the closures, Deputy General Counsel Robert Foster will supervise OGC staff within the food and drug division, as well as the branch covering the NIH.

## WHO Designates Collaborating Centre on AI for Health Governance

The World Health Organization (WHO) announced on March 6, 2025, its designation of the Digital Ethics Centre at Delft University of Technology in the Netherlands as a WHO Collaborating Centre on artificial intelligence (AI) for health governance, furthering their commitment to ensure ethical and responsible use of AI for health. Notably, the U.S. resigned as a member state of the WHO on Jan. 20, 2025. Regardless, this activity signals a potential avenue for international collaboration on health AI regulation standards. Dr. Alain Labrique, Director of Digital Health and Innovation at WHO, commented that "WHO is committed to helping Member States plan, govern, and adopt responsible AI technologies. We are witnessing remarkable progress, with AI poised to transform health systems and support individuals on their health journeys. To ensure these benefits reach everyone ethically, safely, and equitably, we rely on strong technical and academic partnerships that guide us in this rapidly evolving field."

## JUDICIAL UPDATES

A California federal judge ordered on March 13, 2025, immediate reinstatement of probationary employees who were previously fired from the U.S. Departments of Veterans Affairs, Agriculture, Defense, Energy, the Interior and the Treasury. The judge granted a preliminary injunction that expanded a temporary restraining order in February 2025. The ruling applies to all probationary employees terminated on or about Feb. 13-14, 2025. The judge argued, "This order finds that all such terminations were directed by defendants OPM and acting director [Charles] Ezell and were unlawful because OPM and Ezell had no authority to do so."