



KHA's Federal Advocate

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Congress Readies for Fall Agenda

Congress is halfway through its annual August recess. Although the race for President is heating up and will overshadow action on Capitol Hill later this year, the House and Senate are staring at an extensive agenda when they return after Labor Day.

This fall, Congress' primary job will be to pass a federal fiscal year 2025 budget, which begins on Oct. 1. At this point, the House Appropriations Committee has reported all 12 of its annual appropriations bills that comprise the federal budget to the full House for consideration. Of these 12, half have been passed by the House and sent to the Senate. Those bills are Defense, Energy-Water, Homeland Security, Interior-Environment, Military Construction-VA, and State-Foreign Operations. The Legislative Branch failed on final passage. The Senate Appropriations Committee has reported 11 of 12 bills to the full Senate. None of the Senate bills have been considered. The only bill the committee has not reported is Labor, Health and Human Services, and Education and Related Agencies.

The Labor, HHS, Education subcommittee bill is one of the most challenging to pass on a year-to-year basis because many cultural issues, such as those related to abortion, split the two parties apart. Due to this, funding for health care programs will likely be included in some continuing resolution that funds such operations for the duration of the CR at fiscal year 2024 levels. This means there is unlikely to be any grant funding for cybersecurity upgrades in any Labor, HHS, Education bill considered by Congress in the near future. However, a CR that includes Labor, HHS, Education provisions must contain sections that waive or delay the PAYGO sequestration holiday cut and continue programs set to expire on Sept. 30. While these sections are likely to be part of a temporary FY 2025 CR, Kansas Hospital Association will be pushing our delegation for their inclusion.

Adding to the difficulty of passing a federal budget, the Department of Veterans Affairs last month announced it is facing a budget shortfall of roughly \$15 billion. The shortfall includes \$3 billion in the current FY and \$12 billion more in FY 2025. Representatives and Senators from both parties are furious about this as it opens a crack in a bill that usually receives strong bipartisan support. When the easy bills become hard to pass, the prospect of budget completion drops dramatically.

Whether the likely CR will expire in November, December or sometime early next year, its duration will be determined by congressional leaders attempting to read the political tea leaves in September. In late July, House Republicans began floating the idea of pushing the entire load of work for FY 2025 to next year. As polling on the presidential contest has narrowed, some have begun to reconsider this position. In general, if mid-September polling indicates the Republican Party will likely gain control of more government levers than they currently hold, they will push for a longer CR. If the opposite is true, a shorter period CR becomes more likely.

Toward the end of Congress' summer session, we received word that the Senate 340B Working Group was nearing the introduction of their major 340B Drug Discount Program reform bill. Sen. Jerry Moran (R-KS) is deeply involved with this group and has solicited input from KHA throughout their ongoing discussions. At the last minute, they decided to pull back to address some concerns the provider community had regarding reporting requirements and certain definitions. We appreciate the openness and transparency with which Sen. Moran and his staff have operated throughout this process. We look forward to helping perfect this bill.