



KHA's Federal Advocate
January 29, 2025

OMB Issues Memo on Federal Financial Assistance

On Monday, the Office of Management and Budget issued a [memo](#) instructing federal agencies to temporarily pause all activities related to the distribution of federal financial assistance, including grants and loans, associated with the new administration's recent executive orders. This pause was scheduled to go into effect on Jan. 28 at 5:00 p.m., but yesterday a federal judge ordered a temporary halt on implementing the block on funding to existing programs until at least Feb. 3 when a hearing in federal court can take place.

Under U.S. District Judge Loren AliKhan's ruling, the administration is ordered to not block "open awards", or funds that were already slated to be disbursed, until at least Feb. 3. Currently, the order does not block the administration from freezing funding to new programs or require it to restart funding that has already ended.

Originally, the OMB memo gave agencies until Feb. 10 to submit detailed information on any programs, projects or activities related to this pause.

In response to many questions and uncertainties generated, the OMB subsequently shared a brief [Q&A memo](#) to clarify the intent of this funding review, including referring to the temporary pause as a "part of program implementation that have been ordered by past presidents to ensure that programs are being executed and funds spent in accordance with a new President's policies."

The OMB indicated that the funding review does not apply across the board, and would not affect Social Security, Medicare benefits or "assistance provided directly to individuals." The OMB also clarified that mandatory programs like Medicaid and SNAP would continue without pause.

The Kansas Hospital Association has been in contact with our national partner organizations and the Kansas Congressional Delegation. We will continue to work with their offices to closely track potential impacts on Kansas hospitals, particularly if or when the funding pause proceeds.

We will keep members apprised as more information becomes available. If any KHA members experience non-payment or other impacts because of the pause or related activities, please contact Jaron Caffrey (jcaffrey@kha-net.org).

New Executive Orders and Administrative Actions Issued

With the new presidential administration officially inaugurated, several executive orders and administrative actions have been issued to reinforce the new administration's priorities. EOs are utilized to provide direction to federal agencies on how they should run their respective sections of government. Rulemaking from those agencies often follows.

To assist in following the various updates coming from the White House, the American Hospital Association has assembled a [tracker](#) with information of the actions that may be of interest to hospitals.

If you have any questions, please do not hesitate to reach out to your staff team at the Kansas Hospital Association.