



KHA's Federal Advocate
February 19, 2025

Congress Navigates Budget Battles

After an eventful month and a half to kick off the 119th Congress, the House is in recess for a week while the Senate plows forward on nominations. From a health care policy perspective, the beginning of the new administration generated uncertainty as it looked initially as if the government was going to pause or cancel many federal health care grants and loans before eventually reversing course. Attention then shifted to Congress and its role in advancing various policy changes requested by the Trump Administration related to taxes, border security and government efficiency.

The key tool at Congress' disposal to enact widespread changes with a simple majority vote in both chambers is "budget reconciliation". Procedurally, this requires Congress to agree on a joint budget resolution that fast-tracks the subsequent reconciliation legislation. However, agreeing on a budget resolution is proving trickier than expected as the Senate seeks to address border security and defense spending separate from taxes while the House prefers one bill that would include all budget spending.

Both chambers' budget committees advanced their resolutions last week. The Senate has already begun debate on their smaller, less controversial version this week. Eventually, there will be a so-called "vote-a-rama" on Democratic messaging amendments, the list of which could reach into the hundreds. Passage of any amendments will be on a party-line vote after an exhausting debate. The House meanwhile would like to take up their version as soon as possible, but the narrow Republican majority in that chamber, 218-215 as of today, means that more or less every GOP congressperson has to be on board with voting aye. It is unlikely they will have enough votes at present to pass the House Budget Committee version before amendments are voted upon.

The Senate budget resolution would shift \$86 billion per year toward border security and defense, while the House budget resolution proposes roughly \$4.5 trillion in tax cuts over ten years with a corresponding cut of \$2 trillion in spending over those ten years. Neither chamber is clear as to where these cuts or reallocations will be made, relying instead on instructions to other committees to determine.

There are indications that many of the cuts associated with the House's budget resolution will focus on Medicaid and Medicare. On Wednesday morning, President Donald Trump put his thumb on the scales coming out in favor of the House's broader budget bill rather than the Senate's, but verbally noted that Medicaid cuts should be off the table, teeing up an uncertain path forward.

In meetings with Kansas' House of Representatives offices last week, a Kansas Hospital Association-led group was told that work requirements for Medicaid eligibility are likely to be a part of the package. Block grants are unlikely to gain traction, but Federal Medical Assistance Percentage changes for expanded Medicaid populations are on the table. The attendees spoke extensively with delegation members and staff about our opposition to Medicare site-neutral payment schemes for Hospital Outpatient Departments, any extension of Medicare sequestration beyond its 2032 expiration date and allowing the enhanced premium tax credits on the insurance exchange to lapse.

Health Nominees and Appointments

On Feb. 13, the United States Senate confirmed Robert F. Kennedy, Jr. to be Secretary of the Department of Health and Human Services by a vote of 52-48.

Following Sec. Kennedy's confirmation, President Donald Trump signed an executive order establishing the Make America Healthy Again Commission to be chaired by Kennedy. The commission will be tasked with investigating and addressing the root causes of America's escalating health crisis, with an initial focus on childhood chronic diseases.

The commission has four main policy directives to reverse chronic disease:

- Empower Americans through transparency and open-source data and avoid conflicts of interest in all federally funded health research.
- Prioritize gold-standard research on why Americans are getting sick in all health-related research funded by the federal government.
- Work with farmers to ensure that U.S. food is healthy, abundant and affordable.
- Ensure expanded treatment options and health coverage flexibility for beneficial lifestyle changes and disease prevention.

Within 100 days, the commission will produce an assessment that summarizes what is known and what questions remain regarding the childhood chronic disease crisis. Also, within 180 days, the commission will produce a strategy, based on the findings of the assessment, to improve the health of America's children.

Additionally, Tom Engels was appointed as the new administrator for the Health Resources and Services Administration. Engels previously held the same role in the first Trump administration from 2019 to 2021.

The next significant health nominee to seek confirmation is Dr. Mehmet Oz to be Administrator of the Centers for Medicare and Medicaid Services. Dr. Oz, a former thoracic surgeon and daytime talk show host, will face a hearing and will need a vote of confirmation from the Senate Finance Committee. The hearing date has not yet been determined.

Sign Up for Action Alerts through KHA's Grassroots Platform

With both the Kansas State Legislative session and the 119th Congress well underway, please be sure you sign up for alerts through Kanas Hospital Association's grassroots platform VoterVoice.

VoterVoice provides members with legislative information and action alerts on state and federal issues. As budgetary and other health policy issues continue developing, expect KHA to issue advocacy campaigns and alerts to call members to action by reaching out to legislators at key process points.

VoterVoice can be accessed online at <https://kha-net.org/Advocacy/KHAGrassroots/> or on the KHA website by clicking on "Advocacy," then "KHA Grassroots – VoterVoice."

KHA will share advocacy campaigns with the available background information available and provide pre-populated messages that you can personalize to help your legislators understand the impact of specific policies on your organization.

Please sign up for alerts today by [sharing](#) your email and zip code.