

McDermott+ Check-Up: March 21, 2025

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THIS WEEK'S DOSE

- **Government Is Funded, Congress at Home for the Week.** The continuing resolution signed by President Trump last Saturday funds the government through the rest of the fiscal year.
- **Senate Finance Committee Holds CMS Administrator Nomination Hearing.** Centers for Medicare & Medicaid Services (CMS) administrator nominee Mehmet Oz, MD, testified.
- **President Trump Issues EO on Domestic Preparedness.** Implementation of this executive order (EO) will likely have implications for drug supply chains and pandemic preparedness.

CONGRESS

Government Is Funded, Congress at Home for the Week. On March 15, 2025, President Trump signed a continuing resolution (CR) into law that funds the government and provides short-term extensions of certain healthcare programs and provisions, including Medicare telehealth flexibilities and community health center funding, through September 30, 2025, the end of the fiscal year. The CR did not include a Medicare physician payment fix. Instead, Republican leadership committed to include a fix in the upcoming budget reconciliation bill to secure votes from the GOP Doctors Caucus. Given the timeline of a potential reconciliation bill, it is uncertain whether Congress will consider any mitigation to the 2025 Medicare physician payment cut that is currently in effect. The House passed the CR mostly along party lines in a 217 – 213 vote. In the Senate, after much internal debate, 10 Democrats joined all but one Republican in a 62 – 38 vote to advance the CR to a final vote, ultimately allowing Republicans to pass it with a simple majority. Congress then went home for a recess week. Both the House and Senate return on March 24, 2025, for a three-week stint until they hit a two-week April recess around the Easter and Passover holidays.

Senate Finance Committee Holds CMS Administrator Nomination Hearing. In the [hearing](#) on March 14, 2025, members from both parties discussed concerns about access to care in rural areas as well as high prior authorization and upcoding usage by Medicare Advantage (MA) insurers. Mehmet Oz, MD, agreed with members and stated that he would seek to address upcoding in MA as CMS administrator – which is notable in light of his previous outspoken endorsements of the program. Republicans focused on the insights Oz can bring to CMS as a physician, while Democrats pressed to see if Oz supports reforming or cutting Medicaid, including through work requirements.

ADMINISTRATION

President Trump Issues EO on Domestic Preparedness. The “[Achieving Efficiency Through State and Local Preparedness](#)” EO seeks to expand the role of states and localities in preparedness, which will likely have impacts on drug supply chain issues and future pandemic response. The EO directs the Assistant to the President for National Security Affairs, in coordination with other relevant agencies, to:

- Publish a national resilience strategy within 90 days
- Review critical infrastructure policies, including the following EOs, and recommend a risk-informed approach within 180 days:
 - EO 14017, “[America’s Supply Chains](#)”
 - EO 14123, “[White House Council on Supply Chain Resilience](#)”
- Review all national continuity policies, including the following, and recommend options to modernize and streamline the current approach within 180 days:
 - National Security Memorandum 32, National Continuity Policy
- Review the findings of the Federal Emergency Management Agency Council and provide recommendations to edit policies, including the following, to reformulate the process and metrics for federal responsibility within 240 days:
 - [Presidential Policy Directive 8](#), National Preparedness
- Create a National Risk Register within 240 days

The EO also directs the secretary of homeland security to propose policy changes to improve federal-state communication. A fact sheet can be found [here](#).

QUICK HITS

- **House Democrats Launch Congressional Doctors Caucus.** The [Congressional Doctors Caucus](#) will work to advance “pragmatic healthcare policy.” This caucus joins the long-established and larger GOP Doctors Caucus in the House. The new Democratic caucus comprises:
 - Ami Bera, MD (CA) – internal medicine
 - Herb Conaway, Jr., MD (NJ) – internal medicine
 - Maxine Dexter, MD (OR) – pulmonary and critical care
 - Kelly Morrison, MD (MN) – obstetrics and gynecology
 - Raul Ruiz, MD (CA) – emergency medicine
 - Kim Schrier, MD (WA) – pediatrics
- **CMS Announces Manufacturer Participation in Current Round of Medicare Drug Price Negotiation.** CMS [stated](#) that agreements have been signed with the manufacturers of the 15 drugs chosen for participation in the second cycle of Medicare drug negotiations.
- **FDA Study Shows Impact of E-Cigarette Prevention Campaign.** The US Food and Drug

Administration (FDA) [study](#) found that “The Real Cost” campaign successfully prevented 450,000 new youth e-cigarette users between 2023 and 2024. Read the press release [here](#).

- **HHS Renews Opioid Crisis PHE Declaration.** US Department of Health & Human Services (HHS) Secretary Kennedy [renewed](#) the opioid crisis public health emergency (PHE) declaration for another 90 days. The PHE was set to expire on March 21, 2025, and allows more federal coordination efforts and flexibilities.
- **HHS, FDA Announce Operation Stork Speed.** This [initiative](#) seeks to address the safety, reliability, and nutrition of infant formula by starting the statutorily required nutrient review, increasing testing for heavy metals, and extending the personal importation policy. HHS Secretary Kennedy was outspoken in support of these steps.
- **OCR Takes Action Against Maine for Alleged Title IX Violation.** Following an investigation, the HHS Office for Civil Rights (OCR) stated that Maine’s Department of Education and other entities in the state are in violation of President Trump’s “[Keeping Men out of Women’s Sports](#)” EO because they allegedly allowed transgender female students to play in women’s sports. OCR’s letter to the entities requires them to voluntarily commit to resolve the matter within 10 days or risk referral to the US Department of Justice. Read the press release [here](#).
- **FTC Requests Stay of Noncompete Rule, Citing New Administration.** The Federal Trade Commission (FTC) filed [motions](#) requesting a 120-day stay of the agency’s appeal of district court decisions blocking the Biden-era FTC proposed ban on noncompete agreements. This is a signal that FTC’s new leadership is rethinking the agency’s defense of the proposed rule. FTC Chairman Ferguson also released a [memo](#) creating the Joint Labor Task Force, which will evaluate policy options related to noncompete agreements.

NEXT WEEK’S DIAGNOSIS

Congress will return to session on Monday to continue work on budget reconciliation. While each body has passed a budget resolution, they must now agree to and pass a unified budget resolution through both bodies in order for reconciliation to proceed. The House Veterans’ Affairs Health Subcommittee will hold a hearing on healthcare access and a markup of several healthcare-related bills, and the House Energy and Commerce Subcommittee on Commerce, Manufacturing, and Trade will hold a hearing on online safety. On the regulatory side, we await the release of the inpatient prospective payment system proposed rule.

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