



Capitol Insights Newsletter February 28, 2025

Author(s): Luke Schwartz, Matt Reiter

What Happened in Congress this Week

The House and the Senate have now both passed Budget Resolutions to set the stage for the Budget Reconciliation Process. The version passed by the House requires identifying \$880 billion in savings to be identified by the Energy & Commerce Committee. Most believe this budgetary goal cannot be achieved without steep Medicaid cuts.

The Senate HELP Committee will hold a confirmation hearing for Dr. Marty Makary, President Trump's nominee to lead the FDA on March 6th.

The House Energy & Commerce Committee held a [hearing](#) on PBM reform on Wednesday. Lawmakers emphasized bipartisan support for measures like banning spread pricing, increasing transparency, and ensuring drug rebates benefit employers and health plans. Although these reforms were initially included in last year's Continuing Resolution (CR), they were removed after calls for a "clean" CR. There is bipartisan interest in re-introducing PBM reform legislation this congress. Lawmakers largely agreed that PBM practices harm competition and independent pharmacies, with some debate over whether drug manufacturers play a bigger role in rising drug costs.

Trump Signs Executive Order on Hospital Price Transparency

This week President Donald Trump signed an [executive order](#) directing the Department of Health and Human Services (HHS), the Department of Labor, and the Department of the Treasury to "rapidly implement and enforce the Trump healthcare price transparency regulations." While it does not mention specific regulations, it is likely alluding to the [Hospital Price Transparency Regulations](#) and the [Transparency in Coverage Final Rule](#). As such, this executive order applies to hospitals.

These regulations require United States hospitals and health plans to publicly disclose their standard charges for standard medical services and procedures. This includes advertising hospitals' negotiated rates with in-network providers and what out-of-network providers historically have charged patients. Hospitals are required to make raw data available in a "machine readable" format for all of its services. Hospitals also must make price data available

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in a “consumer friendly” format for 300 “shoppable” services – some of which are defined in the regulation and others that are at the hospital’s discretion.

It is important to note that neither of these regulations impose transparency requirements on physician practices. However, the Transparency in Coverage Final Rule requires health plans to list in-network rates. As a result, rates negotiated between insurance companies and providers would be publicized as part of this process.

Trump’s stated intent for the executive order is to ensure that “pricing information is standardized and easily comparable across hospitals and health plans.” During Trump’s first administration, price transparency was enlisted as a key strategy for addressing soaring U.S. healthcare costs. This trend and line of thinking is certainly prevailing in Trump’s second administration as well.

Top Stories in Healthcare Policy

Representatives Morgan Griffith (R-VA-9) and Chip Roy (R-TX-21) introduced legislation that would reform the National Institutes of Health (NIH) National Institute of Allergy and Infectious Diseases into three separate Institutes for Allergic Diseases, Infections Diseases and Immunologic Diseases. A companion bill was introduced in the Senate by Senators Tommy Tuberville (R-AL) and Rand Paul (R-KY).

An American Medical Association Survey has shown that prior authorization causes delays in care and can force patients to give up on their treatment. Doctors also anticipate that a rise in artificial intelligence (AI) to evaluate prior authorization requests will lead to an increase in claim denials.

The Trump Administration’s attempt to cap NIH indirect costs at 15% is currently on pause while a judge in Massachusetts contemplates issuing an injunction.

Medicare Advantage enrollment grew by 3.8% in 2024, which would represent the slowest growth rate since 2007.

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The White House is **directing** all federal agencies to submit plans for how to reduce and consolidate their workforce by March 13th, signaling more federal layoffs are expected in the near future.

A new Trump Executive Order **mandates** that agencies develop centralized systems to record each grant, contract, and loan. From there, agencies are instructed to review their expenses alongside their Department of Government Efficiency (DOGE) team lead. This executive order increases DOGE's oversight and power over agencies' grants and contracts.

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