



THE AAEM | JULY 2025 ACTION REPORT

CHAMPION OF THE EMERGENCY PHYSICIAN



The AAEM Action Report is a monthly newsletter designed to keep you informed on the critical developments affecting our mission. Your continued engagement remains crucial as we confront these challenges and work towards lasting solutions. We are deeply grateful for your unwavering support and dedication to our mission—thank you for standing with us. Additionally, we would like to extend our gratitude to our lobbying firm, I Street Advocates, for their tireless efforts in advancing our advocacy goals.

Together, we can shape the future of emergency medicine.

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Congressional Activity

One Big Beautiful Bill Act

Medicaid: Congress passed, and the President signed into law on July 4th, the One Big Beautiful Bill Act (OBBBA). The [Congressional Budget Office](#) estimates that the Senate version of the bill, which was ultimately adopted, would cut Medicaid by \$930 billion over 10 years and will increase the number of [uninsured Americans by 11.8 million in 2034](#). This is largely accomplished by stricter work requirements that will increase the administrative burden on current Medicaid recipients, limits on Medicaid expansion populations, and reductions in provider taxes. These provisions are likely to reduce Medicaid enrollment and reimbursement levels which could lead to additional hardship on rural health providers.

Rural Health Transformation Program: To attempt to address these concerns, Section 71401 of OBBBA created a five-year \$50 billion grant program administered by the Center for Medicare and Medicaid Services (CMS) called the Rural Health Transformation Program (“program”). Under the new program, states receive \$10 billion annually from 2026 to 2030 without needing to provide matching funds. States must submit transformation plans outlining strategies for enhancing access, workforce recruitment, technology use, partnerships, and hospital solvency. States must submit their applications, including detailed plans, by December 31, 2025. All participating states receive baseline funding, with additional amounts distributed based on criteria such as rural demographics and facility needs.

Student Loans: The OBBBA also includes significant changes to student financing that could impact medical students. OBBBA eliminates Graduate and Professional PLUS Loans starting in 2026, caps annual and aggregate borrowing for professional students, and modifies Public Service Loan Forgiveness and income-driven repayment programs. Additionally, it establishes program eligibility requirements based on graduate earnings, which could jeopardize federal aid for certain medical education programs. Collectively, these provisions may restrict access to medical education and influence who enters the GME system.

Medicare Physician Fee Schedule: Finally, OBBBA includes an increase to the Medicare Physician Fee Schedule, providing a 2.5% payment boost for calendar year 2026. This increase only applies for the calendar year 2026 and is not a long-term fix.

A Kaiser Family Foundation summary of the health impacts of the OBBBA is [here](#).

Senate Letter on Physician Payments

In June, AAEM signed on to a 75-member coalition letter to the Senate that was reported by STAT News as one of the chief reasons a Medicare payment provision was reinserted into the Senate’s budget reconciliation package. The final provision reflects the Senate’s prior agreement from December but does not go as far as the House-passed OBBBA version. The AAEM will continue to engage on this issue through coalition advocacy efforts for a future legislative vehicle. The letter can be found [here](#).

Rescissions

This week, the Senate considered the Administration’s rescissions [package](#), which has a July 18th deadline to reach President Trump’s desk for signature. The original rescissions bill would rescind \$9.4 billion that Congress previously appropriated, including funds for the President’s Emergency Plan for AIDS Relief (PEPFAR). Several Republican senators indicated concerns with particular cuts, especially the PEPFAR cuts. In response, the Senate supported a substitute amendment to the rescissions package that would exempt PEPFAR, the global anti-AIDS initiative from cuts. This version passed the Senate 51 - 48. The House is expected to pass the Senate’s version by July 18th.

The White House is likely to send another rescissions package to Congress. Specifics are not public at this time.

Hill Day Follow Ups

I Street Advocates continues to follow up with all the offices touched on the AAEM Hill Day regarding cosponsoring the Physician and Patient Safety Act and the Workforce Mobility Act. Based on our outreach, on July 9th, I Street heard from a Democratic Senate office that they will cosponsor the Physician and Patient Safety Act. This is not yet confirmed on [Congress.gov](https://www.congress.gov).

Streamline Emergency Care Act Reintroduced

Rep. Mike Lawler (R-NY) and Rep. Adriano Espaillat (D-NY) reintroduced [H.R. 3980](#), the *Streamline Emergency Care Act*. This bill aims to provide additional resources to emergency departments through new grant programs designed to reduce wait times and ensure the delivery of high-quality care. Under the bill, the HHS Secretary would be authorized to issue grants, up to \$500,000 per department, to support:

- Hiring of additional healthcare personnel,
- Repurposing and expansion of hospital spaces,
- Implementation of updated processes and technologies,
- Acquisition of new medical equipment, and
- Training to boost capacity in existing emergency departments.

The [bill press release is available here](#). I Street will separately circulate the bill to consider AAEM support.

House Health Subcommittee Markup on 10 Bills

On July 16th, the House Energy and Commerce Health Subcommittee held a legislative hearing of ten health bills entitled, “Legislative Proposals to Maintain and Improve the Public Health Workforce, Rural Health, and Over-the-Counter Medicines”. The hearing memo can be found [here](#). During the hearing, Rep. Michael Rulli (R-OH) discussed how Tromba Memorial Hospital, in his district, was “gutted” by Steward Health. Rep. Raul Ruiz (D-CA) noted concerns with OBBBA for capping federal student loans below the average cost of medical school and eliminating the graduate plus loan program.

HHS Secretary Testifies Before House Subcommittee on FY26 Budget

The House Energy and Commerce Health Subcommittee held a June 24th [hearing](#) on President Donald Trump’s fiscal year (FY) 2026 budget request for HHS. HHS Secretary Robert F. Kennedy Jr. testified at the hearing. Throughout the hearing, several members expressed concerns about cuts to the National Institutes of Health (NIH) and research generally. In her opening remarks, Subcommittee Ranking Member Diana DeGette (D-CO) highlighted fears about the impact of current research cancellations and reductions in force at HHS. Full Committee Ranking Member Frank Pallone (D-NJ) reiterated this point, stating that “the Trump administration cut nearly \$3.8 billion in grants from the [NIH] creating extreme uncertainty for medical researchers across the country and threatening future medical innovation.”

Prior Authorization Developments

On June 23rd, more than sixty health insurance companies signed a non-binding pledge with the federal government to commit to six actions intended to modernize the prior authorization process. Most medical specialty associations, including the AAEM, have concerns with prior authorization. In a [press release](#), HHS announced the following six principles:

- Standardize electronic prior authorization submissions using Fast Healthcare Interoperability Resources (FHIR®)-based application programming interfaces,
- Reduce the volume of medical services subject to prior authorization by January 1, 2026,
- Honor existing authorizations during insurance transitions to ensure continuity of care,
- Enhance transparency and communication around authorization decisions and appeals,
- Expand real-time responses to minimize delays in care with real-time approvals for most requests by 2027, and
- Ensure medical professionals review all clinical denials.

In addition, on June 27th, the CMS Center for Medicare and Medicaid Innovation (CMMI) [announced](#) details for the [Wasteful and Inappropriate Service Reduction \(WiSeR\) Model](#). The WiSeR Model will run for six years, starting in 2026. The Model will test prior authorization for Part B services in traditional Medicare for providers in certain states. The initial list of planned items and services for the first performance year of the model includes deep brain stimulation for Parkinson's disease, epidural steroid injection for pain management, cervical fusion, skin and tissue substitutes, and knee arthroscopy for osteoarthritis. The model excludes emergency services, and services that, if substantially delayed by a prior authorization, would pose a risk to patients.

Wyden Concerned About Vaccine Panel Purge

In a [press release](#), Senate Finance Committee Ranking Member Ron Wyden, (D-OR) admonished HHS Secretary Kennedy for removing all 17 vaccine experts from the Advisory Committee on Immunization Practices (ACIP) and replacing them with individuals who could have serious conflicts of interests despite his public promise at a Finance Committee hearing to “do nothing that makes it difficult or discourages people from taking vaccines.”

CDC Nominee Approved by HELP Committee

The Senate Committee on Health, Education, Labor and Pensions (HELP) voted to advance Susan Monarez's nomination as director of the Centers for Disease Control and Prevention (CDC) on July 16th. The panel voted along party lines 12-11. Monarez is the first CDC director nominee to require a Senate confirmation after Congress passed a law requiring it in 2022.

Administrative Activity

CMS Fee Schedule Published

On July 14th, the CMS issued the calendar year (CY) 2026 Medicare Physician Fee Schedule (PFS) proposed [rule](#). We are reviewing the rule now and will follow up further with emergency department specific information.

OSTP Issues Guidance on Science Standards

On June 23rd, the Office of Science and Technology Policy (OSTP) issued guidance on science standards. In a [memo](#), OSTP provided details on implementing [executive order \(EO\) 14303](#), “Restoring Gold Standard Science,” to federal department and agency heads. The memo defines the key tenets of gold standard science outlined in the EO and specifies that agencies should work to implement these tenets while minimizing administrative burden through the use of AI and other technologies. It also requires that, by August 22, 2025, agencies submit to OSTP and post on their website a report outlining their implementation plans. Future reports will be due to OSTP by September 1st of each year beginning in 2026.

NIH Caps Journal Fee Payments and Requires Public Access to Research Data

On July 8th, the NIH announced it will limit the fees scientific journals can charge researchers to make their papers publicly available starting in FY 2026. The NIH also issued a new [policy](#) in a social media post requiring journals to make government-funded research publicly available immediately. Specifically, the NIH will require all NIH-funded research accepted for publication on or after July 1st be made publicly available as soon as it is published.

FY 2026 Appropriation’s Process

Congress has kicked off its portion of the FY 2026 appropriation’s process. The House Appropriations Committee has considered multiple bills and the Labor, Health and Human Services bill, often the hardest to pass, is scheduled for consideration next month. The House and Senate ranking minority sent a [letter](#) to OMB Director Russ Voight expressing their concerns with the Administration’s budget process and submissions to date which shows how difficult agreeing to a bill this year will be. Director Voight has maintained that the executive branch, and not Congress, should have authority over how federal dollars are spent. Notably, the Medicare physician fee fix will potentially be included in any end of year FY 2026 funding package.

State Activity

Many state sessions adjourned in June, so recent actions are limited.

California

The [California Chapter Division of AAEM](#) (CAL/AAEM) reached out to I Street to express concern over SB 43 which may impact care delivery for patients who are on a 5150 hold in emergency departments. I Street is further exploring the bill jointly with CAL/AAEM.

New York

Right before recess, New York Senator May introduced S. 8442 which prohibits non-physician organizations or their representatives from holding majority shares in or serving as directors of professional corporations organized to practice medicine. The New York legislature does not reconvene until January.

Additional Updates

Supreme Court Rule on USPSTF

In [Kennedy v. Braidwood Management](#) the Supreme Court upheld the ability of the USPSTF to set no-cost sharing health insurance requirements for certain preventive services. The Supreme Court also reaffirmed that the HHS secretary has the ability to fire or appoint members of the USPSTF and revise or eliminate its recommendations. Experts have noted that the decision has a mixed impact. It is positive in that it preserves the independent process for recommending preventive care and upholds mandatory coverage. On the other hand, it does grant Secretary Kennedy significant authority over preventive health policy in light of his current efforts to impact ACIP.

This newsletter content was provided by [I Street Advocates](#), the advocacy partner of the American Academy of Emergency Medicine (AAEM). I Street Advocates works closely with AAEM to advance policy solutions and legislative efforts that impact emergency medicine, ensuring that your voice is heard on the issues that matter most.