



THE AAEM | AUGUST 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

The Physician and Patient Safety Act Gains Momentum

I Street continues to meet and communicate with offices that either participated in our fly-in or have historically supported [H.R. 3413/S. 1767](#), our due process bill. As a direct result of this outreach, one Democratic and one Republican member have pledged to co-sponsor the House bill. The Senate office we reported on last month, Senator Adam Schiff (D-CA), has now officially joined the Senate bill as a brand-new, first-time co-sponsor as a result of our efforts and Representative Greg Murphy, MD (R-NC) has rejoined the bill as a cosponsor. We have also continued our conversations with Senator Marshall (R-KA) and Representative John Joyce's (R-PA) offices regarding potential executive action on our bill. While no commitments have been made, the process remains active and ongoing.

Senate Appropriations Committee Advances HHS Funding

The Senate Labor, Health & Human Services (HHS) fiscal year (FY) 2026 Appropriations bill and report passed out of Committee on August 3rd. The report can be found [here](#). The House Committee has yet to mark up their version. The fiscal year ends on September 30th, and Congress needs to either pass an individual bill or pass a continuing resolution at current funding levels by that date.

Reference for the report for emergency departments include:

- Efforts to reduce asthma-related hospitalizations and emergency department visits,
- Recognition of the importance of near real-time syndromic surveillance data collected on nonfatal violence, suicide, and mental health-related emergency department visits,
- Additional National Institutes of Health (NIH) research to lower emergency department admission rates for oral diseases and conditions,
- Continued National Institute on Drug Abuse research on developing evidence-based strategies to integrate screening and treatment for opioid use disorders in emergency department settings,
- Funding at the Substance Abuse and Mental Health Services Administration (SAMHSA) for \$8 million to award grants to hospitals and emergency departments to develop, implement, enhance, or study alternatives to opioids for pain management,
- Funding at SAMHSA for \$10 million for the Drug Abuse Warning Network to monitor emergency department visits in order to help public health workers, policy makers, and other stakeholders respond effectively to emerging substance use trends, and
- Funding at the Administration for Community Living of \$13 million for the Traumatic Brain Injury program which includes coordination and improvement of services to individuals and families with traumatic brain injuries in emergency department settings.

Senator Warren (D-MA) Continues Search for GOP Cosponsor of CPOM Legislation

I Street remains in close communications with Senator Elizabeth Warren's (D-MA) team as they continue discussions with members of the GOP caucus in search of a Republican bill lead. Senator Jim Banks (R-IN) continues to show interest and is engaged in a legislative language discussion with the office.

No Surprises Act Enforcement Act Introduced

Representatives Greg Murphy (R-NC) and Jimmy Panetta (D-CA), alongside Senators Marshall and Michael Bennet (D-CO), have introduced [S.2420/H.R.4710](#), the No Surprises Act Enforcement Act. This legislation strengthens the No Surprises Act by closing enforcement gaps and increasing penalties for parties that fail to meet payment deadlines. In late July, the American Academy of Emergency Medicine (AAEM) formally endorsed the bill.

Indirect Costs at NIH

The Senate Labor HHS bill also contains language that prohibits the NIH from unilaterally changing its indirect cost reimbursement system. Earlier this year, the Administration imposed an NIH indirect cost cap [policy](#) of 15%. The Senate Labor HHS report did note that Congress is open to future reforms. However, during Committee consideration, a bipartisan group of Senators noted that a cap would harm basic research, limit clinical trials, and drive researchers away from the U.S. Senators criticized the White House Office of Management and Budget (OMB) for overstepping its authority in trying to change the indirect cost payment system. The Committee acknowledged the facilities and administrative cost system as essential to sustaining U.S. biomedical research. Lawmakers emphasized that changes require congressional approval.

OBBBA Bill Repeal

On August 4th, Senate Democrats introduced legislation to repeal the reconciliation health provisions; the bill is entitled, “The Protecting Health Care and Lowering Costs Act”. The entire Democratic caucus cosponsored the bill. A bill press release can be found [here](#).

Republican Letter on NIH Grant Awards

On July 24th, 14 Senate Republicans sent a [letter](#) to Office of Management and Budget (OMB) Director Russ Vought, urging the disbursement of appropriated funds for the NIH. Specifically, the letter requests that the Administration implement the Fiscal Year (FY) 2025 Full-Year Continuing Appropriations and Extensions Act, which contains funding to support NIH initiatives across a range of critical research areas. In the letter Senators noted, “We are concerned by the slow disbursement rate of FY25 NIH funds, as it risks undermining critical research and the thousands of American jobs it supports. Suspension of these appropriated funds – whether formally withheld or functionally delayed — could threaten Americans’ ability to access better treatments and limit our nation’s leadership in biomedical science.”

Resident Physician Shortage Reduction Act of 2025 Reintroduction

On July 24th, Sens. John Boozman (R-Ark.), Raphael Warnock (D-Ga.), Susan Collins (R-Maine), and Minority Leader Chuck Schumer and Representatives Terri Sewell (D-AL) and Brian Fitzpatrick (R-PA) introduced the Resident Physician Shortage Reduction Act of 2025 ([S. 2439/H.R. 4731](#)). The legislation would make 14,000 Medicare-supported GME slots available over seven years. The bill distributes the slots to hospitals with 10% of the slots to each of the following categories of hospitals:

- Hospitals in rural areas;
- Hospitals training over their GME cap;

- Hospitals in states with new medical schools or new branch campuses; and
- Hospitals that serve areas designated as health professional shortage areas (HPSAs), with priority to hospitals affiliated with historically Black medical schools.

CDC Nomination

On July 29th, the Senate voted 51-47 along party lines to confirm Susan Monarez as director of the Centers for Disease Control and Prevention (CDC). Monarez is a microbiologist and former HHS and White House official.

CBO Reduces Uninsured Estimate By 1.8M Following Final OBBB Tweaks

In a [letter](#) to Congress on August 11th, the Congressional Budget Office (CBO) updated its analysis of the “One Big Beautiful Bill” (OBBB), determining that the legislation will increase the uninsured population by 10 million by 2034. The largest coverage losses come from Medicaid work requirements starting Dec. 31, 2026 (5.3 million people), alongside impacts from a moratorium on provider taxes (1.1 million people), ACA premium tax restrictions for undocumented immigrants (900,000 people), pre-enrollment verification requirements (700,000 people), and other ACA-related changes. CBO projects the poorest 10% will lose about \$1,200 annually (3.1% of income), middle-income households will gain about 1% of income, and the wealthiest 10% will see a \$13,600 increase (2.7% of income).

Administrative Activity

CMS Releases FY 2026 Medicare Hospital IPPS Final Rule

CMS released the Fiscal Year (FY) [2026 Inpatient Prospective Payment System \(IPPS\) final rule](#) on August 4th. The rule goes into effect on October 1st. For GME updates, CMS provided clarification for its policy of calculating full-time equivalent (FTE) counts for cost reporting periods other than 12 months.

Physician Payment Rule

CMS released the physician fee schedule [rule](#) for calendar year 2026 on July 13th. Emergency departments are mentioned six times in the rule but not with significant specificity.

Administration Moving Forward with HHS Reorganization

On August 4th, Secretary Robert Kennedy stated that the HHS is moving forward with its planned reorganization and the addition of a new “Administration for a Healthy America,” despite the omission of the proposed reorganization from the Senate Appropriations Committee’s Labor HHS funding bill. The Labor HHS appropriations bill does not include any language on the creation of AHA as HHS did not submit a formal reorganization plan to Congress and allow for six months of consideration, according to Senate Appropriations Committee Chair Susan Collins. “Right now, we were held up by a court order on the reorg, but we are going through with the reorg,” Kennedy said at an event convened by HHS and the Department of Agriculture.

The Trump administration's budget proposal included a new initiative. The agencies that would form AHA include parts of the CDC and would also merge the office of Assistant Secretary for Planning and Evaluation with the Agency for Healthcare Research and Quality as a new Office of Strategy.

HHS Cancels mRNA Vaccine Funding

The U.S. Department of Health and Human Services (HHS) has announced plans to cancel \$500 million in funding for the development of mRNA vaccines. According to [HHS](#), this "wind-down" will affect 22 projects led by major pharmaceutical companies, including Pfizer and Moderna, targeting vaccines for bird flu and other viruses. Health Secretary Kennedy stated that they are terminating these mRNA "investments because the [data](#) show these vaccines fail to protect effectively against upper respiratory infections like COVID and flu. We are shifting that funding toward safer, broader vaccine platforms that remain effective even as viruses mutate."

FTC Launches Investigation Into "Gender-Affirming Care" for Minors

The Federal Trade Commission [has opened a public inquiry \(RFI\)](#) to "better understand how consumers may have been exposed to false or unsupported claims about 'gender-affirming care', especially as it relates to minors, and to gauge the harms consumers may be experiencing." This RFI builds upon a workshop the Commission held last month where the FTC found that the testimony they heard "indicated that practitioners of 'gender-affirming care' may be actively deceiving consumers." It remains unclear at this stage how, or for what purpose the FTC will use this information, or to what end.

New Administration Anti-DEI Policies

The Administration is instructing all entities that receive federal funding to comply with broad directives to drop diversity, equity and inclusion (DEI) policies. The Office of the Attorney General [published a memorandum](#) July 29 titled "Guidance for Recipients of Federal Funding Regarding Unlawful Discrimination," outlining the administration's intention to take action against DEI programs under its interpretation of federal nondiscrimination laws. "Entities that receive federal financial assistance or that are otherwise subject to federal anti-discrimination laws, including educational institutions, state and local governments, and public and private employers, should review this guidance carefully to ensure all programs comply with their legal obligations," the memo said.

The memorandum applies to entities including hospitals, universities and medical schools and nonprofit organizations.

White House Issues Executive Order Regarding Federal Grantmaking

The White House on August 7th issued an executive order entitled "[Improving Oversight of Federal Grantmaking](#)." The order directs each agency to create a process in which a political appointee reviews new funding opportunity announcements and grant awards "to ensure that they are consistent with agency priorities and the national interest." The order states that grant awards "must, where applicable, demonstrably advance the President's policy priorities." It specifically prohibits the use of discretionary awards to "fund, promote, encourage, subsidize, or facilitate. . . anti-American values." Under the executive order, agencies are directed to prohibit awardees from drawing down general grant funds for specific projects without the affirmative authorization of the agency and written explanations for each drawdown request.

The executive order also states that “all else being equal, preference for discretionary awards should be given to institutions with lower indirect cost rates” and encourages grant distribution to a broad range of recipients rather than “a select group of repeat players.” It directs revision of the Uniform Guidance to require all discretionary grants to permit “termination for convenience” and requires each agency to submit a report to the director of the OMB detailing the agency’s standard grant terms and conditions and requiring revision if the terms and conditions do not permit termination for convenience.

State Activity

Most states have adjourned or are on recess for the summer with a few exceptions.

California

[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. The bill was already enacted, and implementation was delayed until January 2026. At this time, the issue is unactionable. We advised CAL/AAEM to track the impacts of the change in law for future legislative efforts.

Colorado

Governor Polis has called a special session to address Colorado’s budget hole created by President Trump’s reconciliation package. The special session will begin on August 21, 2025, at 10:00 AM. Colorado is required to balance its budget each year, so this special session will have to deal with sweeping changes. Of note to AAEM, lawmakers will need to consider the “availability of Medicaid services to eligible persons by providers banned from federal Medicaid financing as a result of H.R. 1” and the “Health Insurance Affordability Enterprise to facilitate a reduction in premium increases and avoid health insurance coverage loss.”

Additional Updates

Hospitals Continue to Raise Healthcare Costs by Buying up Small Physician Practices

A new National Bureau of Economic Research [study](#) found that between 2008 and 2016, the share of private physician practices acquired by a hospital in the U.S. rose by 71.5 % and that by 2016, roughly half (47.2%) of physician practices were owned by a hospital. The study also found that within two years of physician groups being acquired, physician prices increased an average of 15.1%. You can read the [full study here](#).

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.