



THE AAEM | OCTOBER 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

Dr. Durkin has meetings scheduled with the champions of our due process bill, Rep. Raul Ruiz, MD (D-CA) and Senator Roger Marshall, MD (R-KS), on October 28th. However, if the government shutdown continues, both meetings will be canceled and rescheduled.

I Street had also engaged with Rep. Rich McCormick, MD (R-GA) and Rep. Kim Schrier, MD (D-WA) to explore cosponsorship. Those conversations are currently on hold due to the shutdown, but we look forward to resuming them once the government reopens.

CPOM Bill Update

Before the shutdown, Senator Elizabeth Warren (D-MA) and her Republican co-sponsor, whose identity remains a close hold, had planned to introduce the forthcoming Corporate Practice of Medicine (CPoM) bill in late September or early October, once they received the final bill text from Legislative Counsel. However, as the shutdown approached, they ran out of time and were unable to share an advance copy of the bill with us for feedback.

We understand that once the government reopens, we should receive the bill text and will be given the opportunity to provide both feedback on the text, and a quote for the press release.

Government Shutdown Update

As of October 17th, the government shutdown remains unresolved with no immediate plans for resolution. Both the House and Senate are in recess.

On October 16th, Senate Majority Leader John Thune (R-SD) scheduled a procedural vote to move the fiscal year (FY) 2026 defense appropriations bill amid the government shutdown. The Senate Appropriations Committee passed the bill with a bipartisan vote in July but the political dynamics have changed. Senator Thune suggested he might add the Labor and Health and Human Services bill to the defense bill in future voting. The Senate also considered a continuing resolution to fund the government temporarily and voted it down for the tenth time.

HELP Chair Targets AMA Regarding CPT Codes

In an October 6th [letter](#) sent to the American Medical Association (AMA) Board of Trustees President Dr. Bobby Mukkamala on October 6th, Senate Health Education Labor and Pensions Committee Chair Bill Cassidy, MD (R-LA) criticized the AMA for charging high fees for its Current Procedural Terminology® (CPT) codes and related products. “As Chairman of the HELP Committee, which has jurisdiction over HIPAA, I am actively reviewing the government-backed monopoly around CPT codes and the impact on patient health care costs, especially in the wake of the AMA’s anti-patient, anti-science advocacy efforts,” the letter stated.

HELP Committee Minority Issue Report on Republican Health Care Cuts

Sen. Bernie Sanders (I-VT), Ranking Member of the Senate HELP Committee, on October 7th released a [new report](#) titled “Americans Speak Out About Republican Health Care Cuts.” The report compiles personal stories from 42 states and the District of Columbia regarding health care costs, coverage losses, and the potential closures to health care facilities in the U.S. The report notes that cuts would increase the number of uninsured Americans in every state and double the uninsured rate in some states, including Massachusetts and Louisiana.

Stakeholder Letter on Indirect Cost Issue

AAEM joined 250 other national organizations in a [letter](#) supporting the work of the Joint Associations Group on Indirect Costs (JAG)’s effort to develop a new, more transparent model for ensuring that institutions’ essential research costs are adequately funded. The letter also expressed support for language included in some of the FY 2026 annual appropriations bills and accompanying reports which supports the JAG’s work and prohibits the Office of Management and Budget from instituting arbitrary caps on costs.

Secretary Kennedy Articles of Impeachment

Rep. Haley Stevens (D-MI) introduced [articles of impeachment](#) against Health and Human Services Secretary Robert F. Kennedy Jr. on September 26th. The House will not pass the articles. However, if the effort attracts widespread support, the impeachment articles could foreshadow future Democratic efforts in a new Congress. Stevens said the articles will focus on Kennedy’s policy changes to restrict access to vaccines, defunding of medical research, and “failure to carry out statutory duties of HHS in administering the FDA and CDC.”

Improving Access to Medicare Coverage Act of 2025 (H.R. 3954)

AAEM has signed onto [a one pager](#) in support of H.R. 3954, The Improving Access to Medicare Coverage Act of 2025. The bill would supersede the current Centers for Medicare & Medicaid Services (CMS) 2-midnight observation stay policy where a physician admits a patient as an inpatient if he/she expects the patient to be hospitalized for at least two midnights. This policy, which did not replace the three-day inpatient requirement, has not eliminated extended hospital observation stays that deprive beneficiaries of access to skilled nursing facility (SNF) benefits. This bill would ensure beneficiary access to SNF benefits by counting time in observation status towards satisfying the three-day inpatient hospital-stay requirement. In other words, if a beneficiary is hospitalized for three consecutive days, all the days are counted, regardless of whether the hospital bills Medicare Part A (inpatient) or Medicare Part B (outpatient) for the patient’s stay.

GAO Report on Hospital Closures

GAO was asked to examine the bankruptcy and closure of health care facilities and recently issued a [report](#). This report describes the closure of five selected urban hospitals, specifically: (1) the financial conditions and other factors that contributed to their closure and (2) how health care service availability in communities changed after their closure. All five urban hospitals included in GAO’s review experienced financial decline characterized by financial losses or declining profits in the five years leading to their closure. One hospital filed for bankruptcy under three

different owners within five years prior to its closure. The report briefly references the role of for profit ownership and private equity.

Administrative Activity

HHS RIFs During Shutdown

Current RIFs. A federal judge temporarily blocked the Administration's recent lay offs of HHS federal employees during the government shutdown. On October 15th, the District Court said that reductions in force (RIFs) notices at eight agencies, including HHS, were out of compliance with the law. About half of the firings at the Centers for Disease Control (CDC), where a majority of the agency was fired, were reversed prior to the legal action. The District Court ordered the Administration to provide information about their planned RIFs within two days.

Other Cases. Prior to the shutdown, a circuit court ruled the federal government must turn over its plans for reorganizations and RIFs at HHS and other agencies to a Northern California district judge in another case regarding layoffs of federal employees. In a September 19th order, the Ninth Circuit remanded the case to the Northern California district court, following a request by the plaintiffs, unions representing government employees.

Federal Funding Freeze. In the District Court of Maryland, the Society of General Internal Medicine and the NAPCRG filed a lawsuit August 21st challenging the Administration's treatment of the Agency for Healthcare Research and Quality's grantmaking program (Case No. 8:25-cv-02751). On September 22nd in a [ruling](#), the district court extended the deadline for AHRQ grantmaking through December 31st.

Medicare Coverage During the Shutdown

Telehealth. Congress has previously extended the Medicare fee-for-service telehealth flexibilities that were originally implemented during the COVID-19 public health emergency in 2020 multiple times, with the latest extension expiring September 30, 2025. Because Congress did not reach an agreement on government funding prior to the expiration of these flexibilities, as of October 1, 2025, the Medicare telehealth flexibilities revert to pre-pandemic limitations with the return of geographic and originating site requirements. In the absence of Congressional action, practitioners who choose to perform telehealth services that are not payable by Medicare on or after October 1, 2025, may want to evaluate providing beneficiaries with an Advance Beneficiary Notice of Noncoverage (ABN). [This notice](#) provides further information on use of the ABN, including ABN forms and form instructions. Physicians may choose to hold claims associated with telehealth services that are not payable by Medicare in the absence of Congressional action. For further information see [this notice](#).

MAC Temporary Hold. On October 15th, in an MLN [article](#), CMS instructed all Medicare Administrative Contractors (MACs) to continue to temporarily hold claims with dates of service of October 1, 2025. This includes all claims paid under the Medicare Physician Fee Schedule, ground ambulance transport claims, and all Federally Qualified Health Center claims. Providers may continue to submit these claims, but payment will not be released until the hold is lifted. Late in the day, CMS reportedly doubled back on this announcement to hold all Medicare physician fee schedule claims, and is only holding claims for telehealth and other expired extenders. In press reports, multiple health policy experts noted that it was unusual and unprecedented for CMS to hold all claims, which could significantly impact some practices' cash flow.

Emergency Medicaid Coverage

On September 30th, CMS issued a [letter](#) instructing state Medicaid agencies that emergency services provided for undocumented residents ineligible for full benefits can no longer be included in capitated payments to Medicaid managed care due to program integrity issues. States must pay for services either through fee for service or other non-capitated contracts. CMS also says that managed care contracts can no longer include services and programs funded solely through state dollars. “CMS has program and fiscal integrity concerns related to states’ use of managed care to provide emergency Medicaid,” Knapp wrote. “CMS is concerned that states are claiming FFP for costs beyond those allowable for care and services necessary for the treatment of an emergency medical condition, and that Medicaid is cross subsidizing state-only programs that provide additional services to aliens’ ineligible for full Medicaid benefits.”

In the letter, CMS noted that it will work with states to achieve compliance. CMS will not enforce the requirements until the first managed care rating period that is one year after the letter was issued.

State Activity

California

Governor Gavin Newsom (D-CA) signed two private equity in healthcare bills into law.

AB 1415 expands the regulatory scope of California's Office of Healthcare Affordability (OHCA) by requiring notification and disclosure of significant healthcare transactions. The bill specifically mandates that Management Services Organizations (MSOs), private equity groups, hedge funds, and other designated entities must report to OHCA any sale of assets or change in control involving an MSO or healthcare entity.

SB 351 strengthens California's prohibition on physician ownership of medical facilities (CPoM) and physician ownership of dialysis facilities (CPOD) through formal codification of existing state medical board guidance. While the bill preserves the enforceability of noncompete clauses in business sales transactions, it introduces a new provision permitting contractual restrictions on the disclosure of material nonpublic information held by private equity groups or hedge funds, with the exception of information required to be disclosed by law. AAEM endorsed this bill.

Additional Updates

A recent [study](#) by Harvard Medical School, published in the Annals of Internal Medicine on September 22nd, found that patient death rates increased in the emergency departments of U.S. hospitals acquired by private equity firms compared to similar hospitals. Often hospitals acquired by private equity firms require emergency physicians to sign away due process rights and waive non-compete clauses.

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.