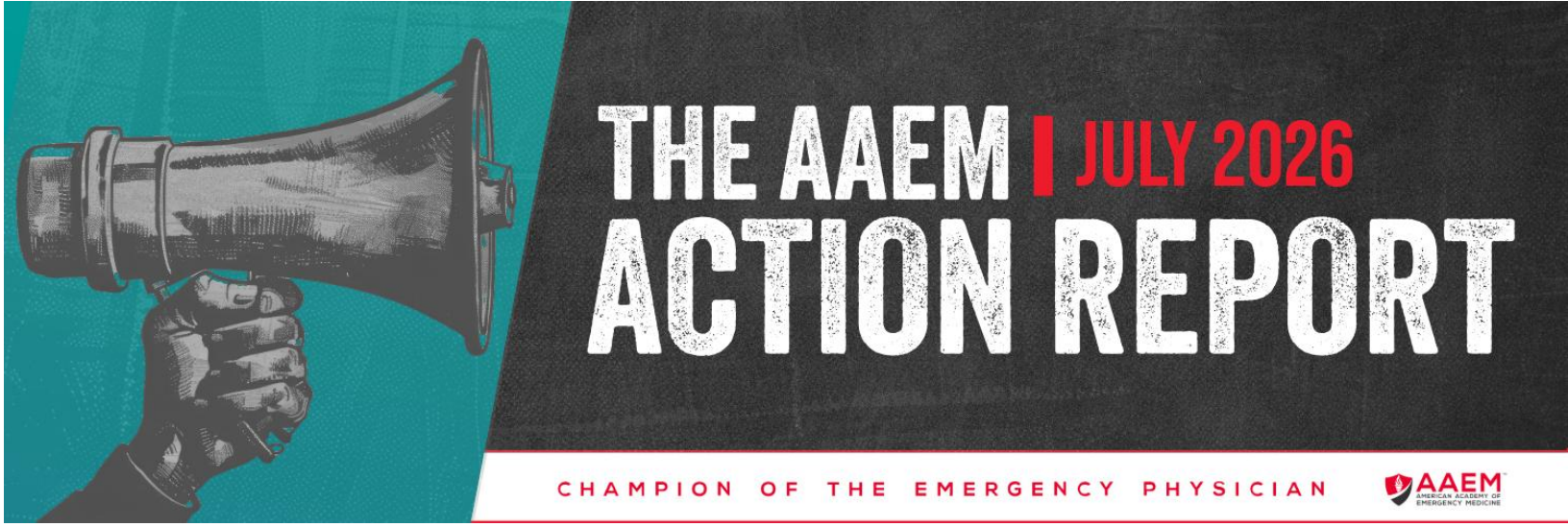

The AAEM Action Report is a monthly newsletter designed to keep you informed on the critical developments affecting our mission. Your continued engagement remains crucial as we confront these challenges and work towards lasting solutions. We are deeply grateful for your unwavering support and dedication 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

The I Street team is continuing to follow up on promising cosponsor leads identified during the AAEM Emergency Medicine Advocacy Summit (EMAS). Many attendees who joined us in Washington, D.C. for EMAS may also receive suggestions from the team to follow up directly with offices, and we appreciate your continued help with outreach. We encourage anyone who attended to also reach out to the staffers they met with and ask them to move forward with cosponsorship. If you receive any feedback from offices, please let the I Street team know.

Race for Democratic Head of House's Powerful Health Subcommittee Heats Up

The current ranking member of the House Energy & Commerce Health subcommittee, Rep. Diana DeGette (D-CO), lost her primary on June 30th. That defeat sets up Rep. Raul Ruiz (D-CA), the Democratic lead on the Physician and Patient Safety Act and an emergency physician for a leadership role on the health subcommittee. Rep Ruiz could be the potential next chair of the subcommittee if Democrats retake the House of Representatives and Ruiz wins the support of his colleagues or the Ranking Member if the Republicans keep the House majority.

Federal CPOM Legislation

The I Street team is working closely with Senator Elizabeth Warren's (D-MA) staff on a bicameral introduction of federal CPOM legislation this Congress. In particular, we have followed up on feedback from meetings convened during the AAEM EMAS with possible bill sponsors and lead cosponsors. Senator Warren continues to work towards introduction by the end of the Congress.

Workforce Mobility Act

Like our other legislative priorities from the fly-in, I Street is continuing to follow up on promising leads for the Workforce Mobility Act. Earlier this month, I Street met with Rep. Scott Peter's (D-CA) office to help prep them ahead of outreach to a promising senior Republican leader who expressed interest in supporting the bill to an AAEM board member.

Medicare Physician Pay Bill Introduced

On July 15th, Reps. John Joyce (R-PA), Greg Murphy (R-NC) and Kim Schrier (D-WA) introduced H.R. 9693, The Patient's First Act. The bill would update Medicare physician pay based on the Medicare Economic Index and include reforms to Alternative Payment Models (APMs), the Merit-based Incentive Payment System (MIPS) and budget neutrality threshold, which would be increased under the bill from $20 million to just over $54 million. More information about the bill can be found here.

Prior Authorization Accountability Act Passes Out of Energy and Commerce Committee

On June 25th, the House Energy and Commerce Committee Health Subcommittee passed by voice vote The Improving Seniors' Timely Access to Care Act (H.R. 3514), a bill that would reform the Medicare Advantage prior authorization process. The bill would require electronic prior authorization, increase transparency around plan decisions, and standardize administrative requirements.

Prior Authorization Bill Also Passes Out of Ways and Means

On July 15th, the House Ways & Means Committee passed a package of Medicare bills including the Improving Seniors' Timely Access to Care Act (H.R. 3514) discussed above. The bill is moving forward for potential House floor action this year.

Democrats Forecast Health Oversight Agenda Should Party Win House

On June 23rd, Democrats on the House Oversight and Government Reform Committee published a report, entitled "Abandoning Americans To Disease: The Trump Administration's Reckless Crusade is Harming America's Health. Among other things, the report focused on grant and staffing cuts, political control over scientific decision-making, and changes to vaccine policy. The lengthy report was based on 80 interviews with government and public health officials.

According to the report, "In just one year, the foundation underlying the United States' world-changing research and innovation ecosystem was irretrievably broken by the Trump Administration," the report says. "Having so many political appointees at NIH has not only injected politics into the agency but also added approval layers and restrictions that slow down the agency's work."

Regulatory Activity

CMS Issues 2027 Physician Fee Schedule

On July 14th, CMS issued its proposed 2027 physician fee schedule. The rule can be found here. I Street is still reviewing the proposed rule but at this early date there are two items of note. First, the rule reduces the PFS conversion factor from $33.5675 to $33.1693 for qualifying alternative payment model (APM) participants and from $33.4009 to $32.8409 for non-qualifying APM participants. Second, the rule seeks feedback on updates or alternatives to the CPT process, which is currently set by the AMA. RFI available here.

CBO Seeks New Research On NSA, Citing Evidence IDR Is Possibly Undermining Savings

On June 15th, the CBO published a blog saying that The No Surprises Act's (NSA) independent dispute resolution (IDR) process may not be producing the cost savings that were originally projected and could instead be contributing to higher health care prices and insurance premiums.

"Emerging evidence suggests that the law might not have the effects that CBO anticipated," the CBO blog stated. "Although prices for some services that had high rates of surprise billing before the law's enactment have declined (after adjusting them for inflation), several published reports indicate that providers are winning more than 8 in 10 IDR cases and are being awarded payments that are much higher than expected, particularly in certain geographic areas." CBO concluded that they are, "seeking research that evaluates the law's effects on health care prices and network participation."

OMB Regulation for Financial Assistance

AAEM has signed a second letter, circulated by The American Association of Medical Society Executives (AAMSE), on the Office of Management and Budget's (OMB) proposed rule, Regulation for Federal Financial Assistance, published May 29, 2026. The rule would restructure federal grantmaking across more than 40 agencies, expand political appointees' authority over individual funding decisions, broaden grant termination authority, and restrict allowable costs for activities like scholarly publication and conference participation. AAMSE organized a coalition comment letter raising concerns about several provisions of this rule, particularly its impact on health and medical research, scientific peer review, and the scholarly societies that support this work. In total, 496,775 public commenters responded to the rule.

In addition, federal policymakers have submitted comments as summarized below.

- **Collins:** Senate Appropriations Committee Chair Susan Collins (R-ME) has written to OMB Director asking that the comment period for the proposed rule on federal financial assistance be extended and that portions of the proposed rule be withdrawn. Collins is asking OMB to extend the comment period to 90 days. In a July 6th letter to OMB Director Russell Vought, Collins wrote that the rule would undermine government funding of merit-based research by accentuating political goals. Collins said the rule would "unduly burden scientific and biomedical research and small communities. Authorizing mid-award termination of Federal awards, with limited ability to appeal, would inject uncertainty into the Federal award process, especially for awards that span multiple years and phases and make these awards more costly."

- **House Coalition Letter:** A group of 126 Democratic policymakers wrote to the OMB Director in opposition to the rule, stating that it would delay and disrupt work at the National Institutes of Health (NIH). In addition, political appointees would control grantmaking with minimal transparency or explanation of their decisions. "President Trump's sacking of thousands of NIH researchers and scientists has led to severe understaffing and grant approval delays at NIH. The June 26th letter was led by Ranking Member of the House Judiciary Committee Rep. Jamie Raskin (D-MD) and Rep. Lori Trahan (D-MA). OMB Director Vought responded to the letter here.

- **Senate Democrats Letter:** All 47 Senate Democrats have written to OMB objecting to the proposed rule. The July 1st letter opposes the rule, noting that it undermines Congressional power over appropriations. The letter reads, "Your proposal exceeds OMB's authority, will make it impossible for grant recipients to faithfully carry out the funding priorities that Congress establishes in statute, and would turn federal grants into a new cudgel for the President to unilaterally advance his partisan agenda and punish political rivals. Ultimately, these changes will make it harder for grant recipients to apply for and manage federal funds – undermining public safety, public health, economic competitiveness, and the government's ability to address rising costs. And contrary to the regulation's justification of fiscal transparency, the changes also weaken the oversight and effective stewardship of taxpayer funds."

- **House EC Letter:** On June 22nd, House Energy and Commerce Reps. Frank Pallone, Jr. (D-NJ), Ranking Member, Diana DeGette (D-CO), Ranking Member Subcommittee on Health, and Yvette Clarke (D-NY) Ranking Member Subcommittee on Oversight and Investigations sent a comment letter. According to the letter, "the proposed rule would, among other things, permit political appointees to decide which science gets funded; sideline peer review; wastefully cancel grants at any point—without warning and without regard to the impact on patients enrolled in clinical trials; eliminate fixed-amount (lump-sum) award instruments; create a preference favoring institutions with lower indirect cost rates; and restrict the use of award funds for publishing and disseminating federally funded research. . . Allowing senior political appointees not affiliated with the granting agency to review and approve all grants prior to their awards gives members of the Trump

Administration license to align NIH spending with their political preferences instead of the funding's promise of scientific merit."

State Activity

Currently, I Street is tracking more than 100 bills and has engaged on eight of them leading up to hearings in their respective states. I Street is tracking these bills through the State Bill Tracker Spreadsheet and the AAEM Dashboard, serving as your most up-to-date resources regarding AAEM's state-based advocacy.

Most states have adjourned.

Summary of AAEM Outcomes

- Connecticut SB 196, an anti-CPOM bill, was signed into law and became effective on May 29th.
- New Jersey S 2996 which expanded the scope of practice for APRNs became effective on March 30th.

Delaware

SB 313 protects Delaware's nonprofit acute care hospitals from acquisition by entities other than charities or not-for-profit entities. The bill passed the Senate on June 11th and the House on June 25th.

Virginia

A new law, taking effect July 1, 2026, tightens the limits on post-employment non-compete agreements. Under the new law, if an exempt employee is terminated without cause, the non-compete is unenforceable unless the employer provides severance or another monetary payment and spells out that compensation when the agreement is signed.

The changes apply only to non-competes entered into, amended, or renewed on or after July 1, 2026, so they are not retroactive. This new law builds on Virginia's current ban on non-competes for "low wage" workers earning below $78,364 or those that qualify for overtime pay, under the Fair Labor Standards Act. The bill is available here.

Additional Updates

AAEM President Dr. Vicki Norton Participates in Break Up Big Medicine Briefing

On June 25th, the Break Up Big Medicine Coalition was announced; AAEM is a part of the group, which has over 20 members. The coalition aims are "dismantling the conglomerates that drive costs up, quality down, and independent providers out of business."

AAEM President Dr. Vicki Norton participated in a conference the same day. A livestream of the conference can be found here. Joining Dr. Norton at the conference were Senator Ron Wyden (D-OR), Congresswoman Mary Gay Scanlon (D-PA) and State Representative Aftyn Behn (D-TN). At the event Senator Wyden focused on the recent failed effort to end Oregon PeaceHealth's long-time contract with local emergency physicians. Senator Wyden discussed the need for federal efforts to outlaw such practices.

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.