

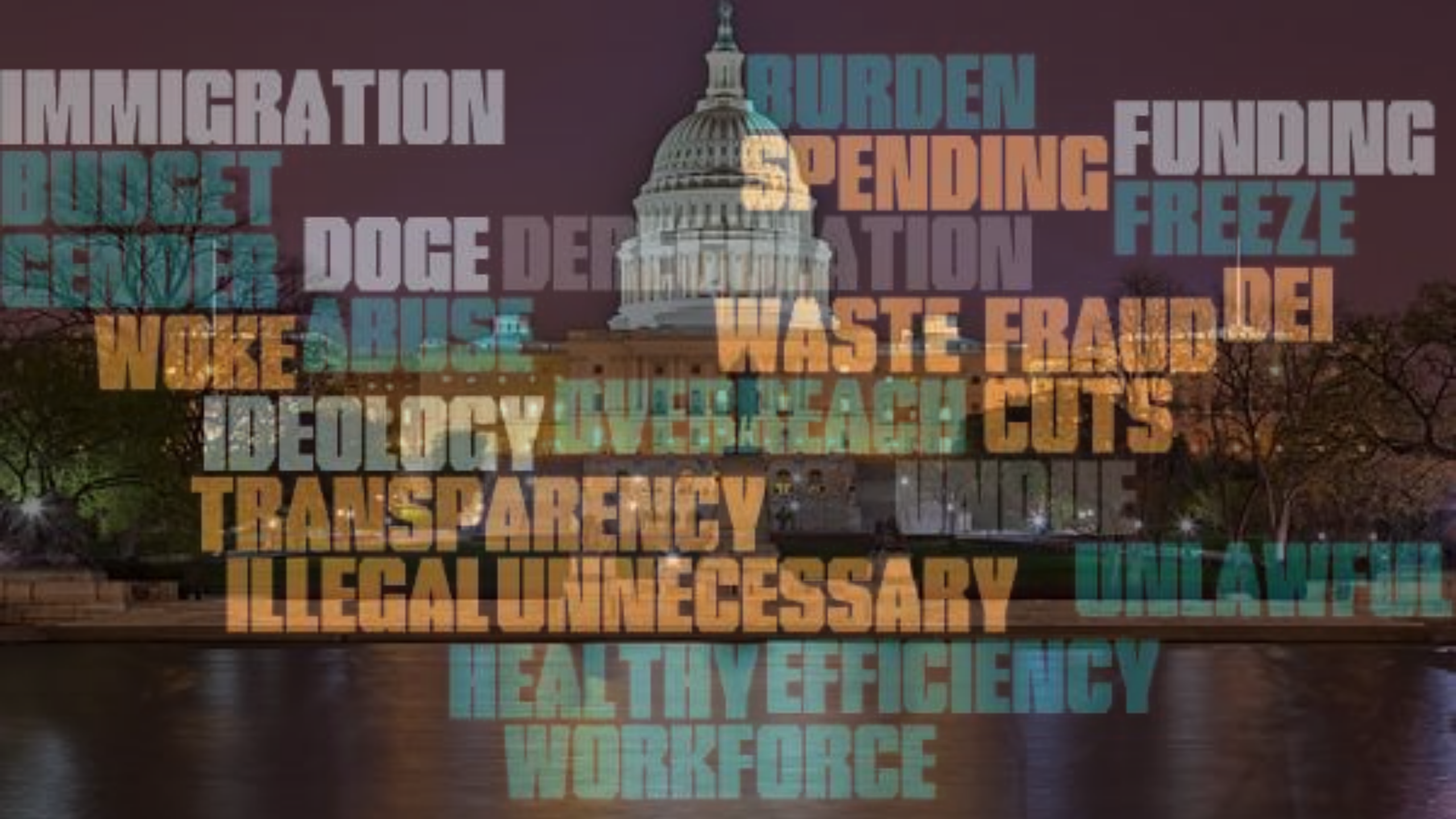
Nursing Home Policy Update

May 2025



Session Objectives

- Recognize regulatory and legislative developments coming from CMS, CDC, Congress, and the Administration.
- Discuss how these initiatives will impact your nursing home.
- Identify resources and advocacy opportunities available to you through your LeadingAge membership.



IMMIGRATION
BUDGET

BURDEN
SPENDING

FUNDING
FREEZE

GENDER
DOGE
WAKE
ABUSE

DEFUND
WASTE
FRAUD

DEI
CUTS

IDEOLOGY
OVERREACH
TRANSPARENCY
UNIQUE

ILLEGAL
UNNECESSARY
UNLAWFUL
HEALTHY
EFFICIENCY

WORKFORCE



Workforce



Fiscal
Responsibility



Smaller
Government





Smaller Government

Efficiency
Overreach
Deregulation

Smaller Government

Executive Order: Implementing the President's "Department of Government Efficiency" Workforce Optimization Initiative

- Consolidate management and non-critical positions, close field offices and operations, implement automation
- Terminate positions:
 - Offices/functions not mandated by statute or law; closed by Administration; all agency DEI initiatives
 - Performing functions not mandated; not deemed "essential" during shut-down

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HHS Regional Office closures:

- Boston, New York, Chicago, San Francisco, Seattle

Impact:

- Medicare Provider Enrollment
- Survey/Certification Oversight
- Enforcement remedies, IDRs, etc.

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Executive Order: Commencing the Reduction of the Federal Bureaucracy

- Reduce scope of federal bureaucracy by:
 - Eliminating non-statutory components and functions of government entities
 - Reducing performance of statutory functions and associated personnel to minimum presence and function required by law

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Cutting CDC jobs and responsibilities

- Termination of HICPAC

Impact:

- Infection Control guidelines
- Return to Work, Isolation, Testing and Mitigation of Infectious Diseases
- Public health and vaccination campaigns

Smaller Government

Executive Order: Unleashing Prosperity Through Deregulation

- For every one new regulation, eliminate 10
- Costs of all new regulations must be less than zero
- Costs associated with any new regulation must be off-set by eliminating costs associated with at least 10 prior regulations
- Issue only rules featured in Unified Agenda

Smaller Government

Executive Order: Ensuring Lawful Governance and Implementing the President's DOGE Deregulatory Initiative

- Deconstruct overbearing and burdensome administrative state
- Rescinding regulations and/or exercise enforcement discretion
- Focus: exceeding scope of power, unlawful delegations of power, anything other than the best reading, implicating matters with no clear statutory authority, undue burdens, costs that don't outweigh benefits

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RFI: Office of Management and Budget

- Comments on regulations that are unnecessary, unlawful, unduly burdensome, unsound
- Emphasis on rules:
 - Inconsistent with statutory text
 - Costs exceed benefits
 - Regulation is outdated or unnecessary
 - Burdening American businesses in unforeseen ways

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LeadingAge Response:

- Rescind: minimum staffing standards, enhanced Facility Assessment, Medicaid payment transparency reporting, respiratory illness reporting, CMP provisions from FY 2025 SNF PPS, PASARR
- Modify: emergency preparedness testing, staff training requirements

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RFI: Health and Human Services – Medicare Program

- Streamline regulatory requirements
- Opportunities to reduce administrative burden of reporting and documentation
- Identification of duplicative requirements
- Additional recommendations

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LeadingAge Considerations:

- Vaccination status reporting
- COVID restrictions including testing, isolation, return to work
- Enhanced Barrier Precautions
- Schizophrenia audits
- Physician visits (telehealth, delegation of roles)
- Risk-based survey and survey windows
- Quality programs and quality measures
- Facility-reported incidents

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LeadingAge Considerations:

- CMP Reinvestment Program
- Five Star Quality Rating System and one-star penalties
- Owner/manager/related parties reporting
- CNA training lock-outs
- Observation stays
- Incident/crime reporting timelines

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RFI: Health and Human Services – all departments

- Regulations falling into 7 categories identified in “Ensuring Lawful Governance” EO
- Confusing, unnecessarily complicated, conflicting, obsolete
- Require excessive reporting / record keeping, excessive penalties
- Impede access to care, innovation
- Interfere with ability to address chronic health conditions or promote well-being

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Chevron Decision

- Pre-dated second Trump Administration
- Overturned 1984 decision that courts should defer to agencies' interpretation of laws
- Could result in fewer/narrower regulations; more prescriptive statute



Fiscal Responsibility

Funding Freezes

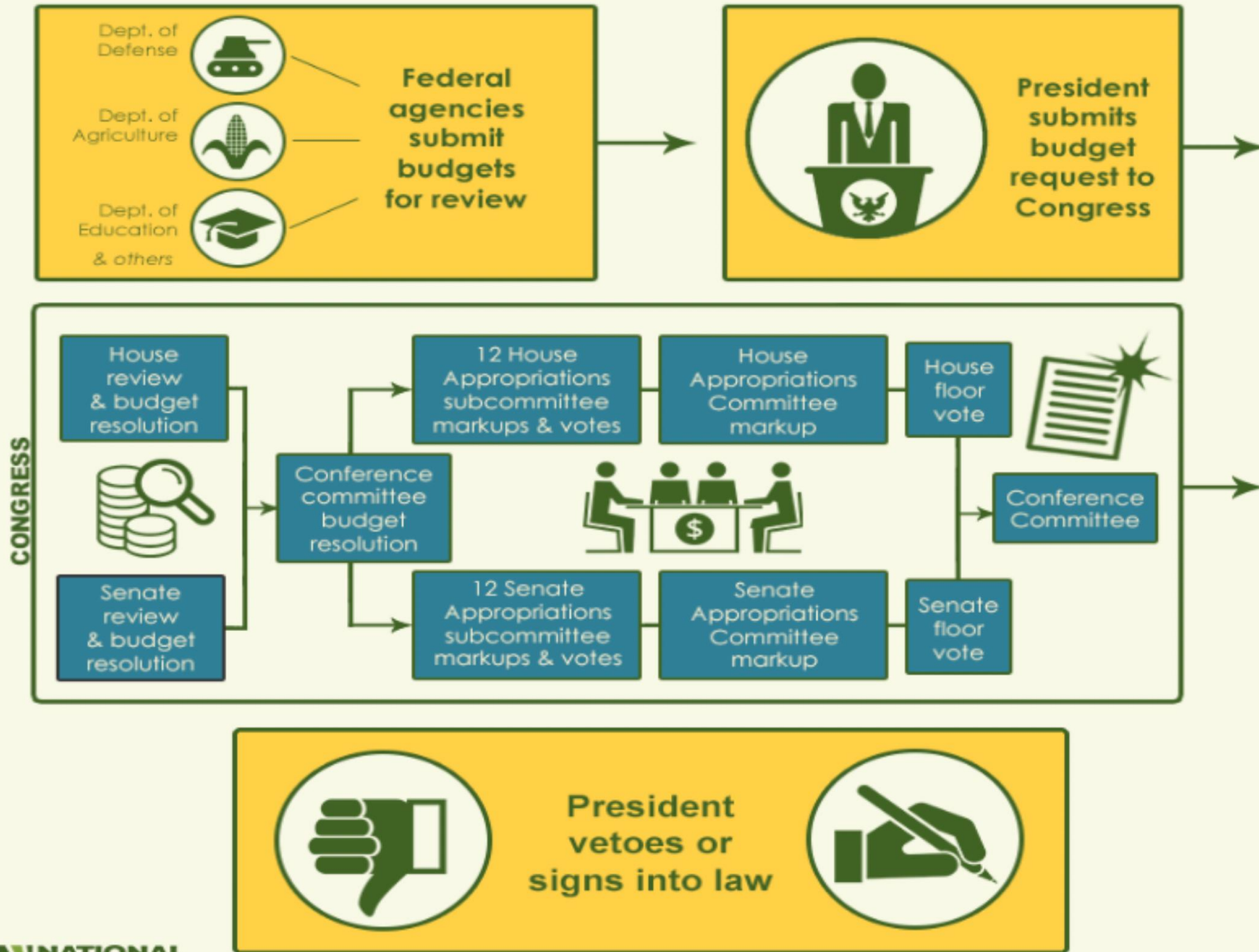
Budget Cuts

Fraud/Waste/Abuse

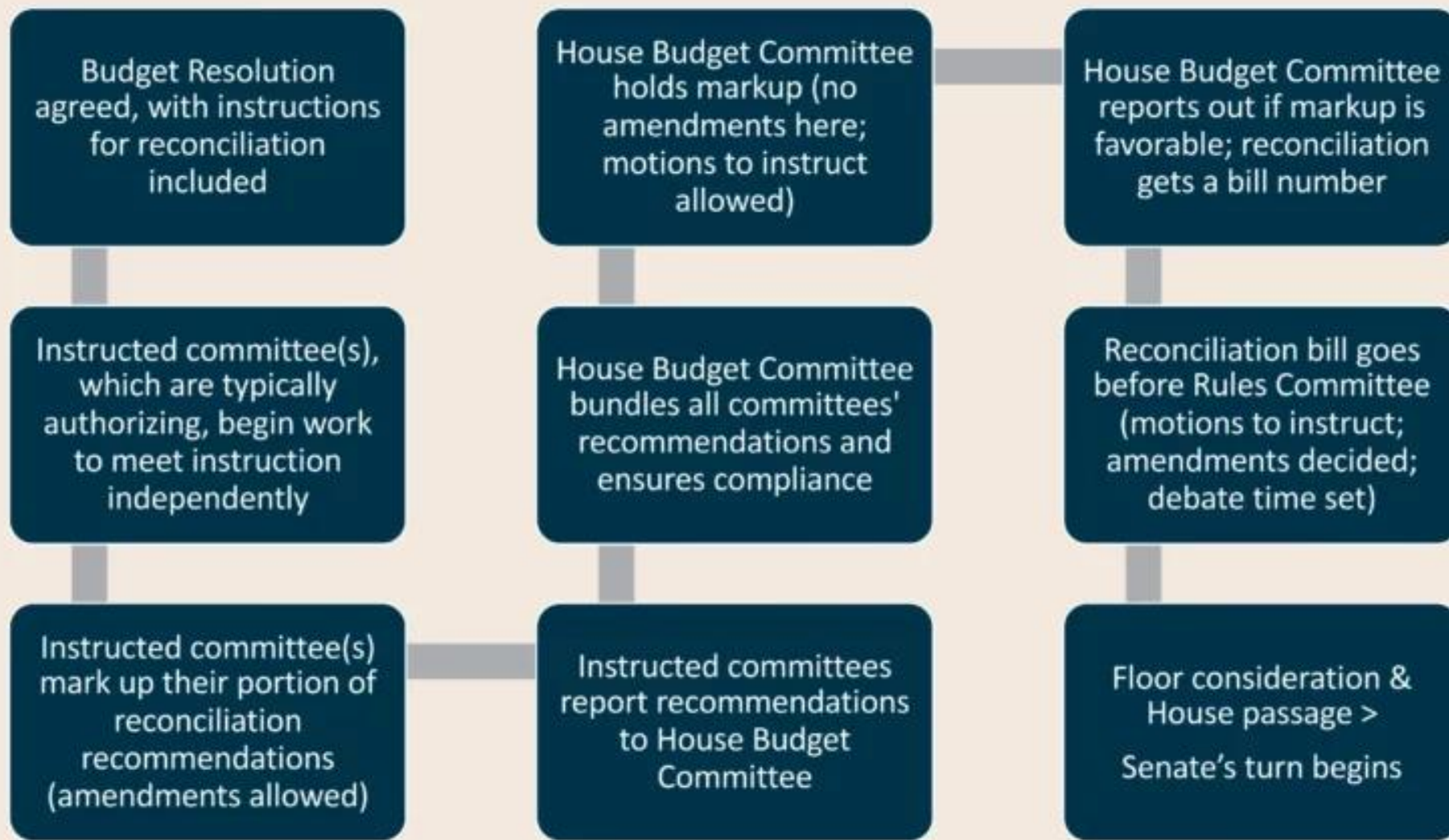
Fiscal Responsibility

- Memo issued on January 27 to freeze federal funding
- Blocked by federal judge January 28
- Memo rescinded January 29
 - White House press: “not a rescission of the federal funding freeze”
- Pursuing funding freezes through executive orders
 - DEI, gender ideology, immigration

THE ANNUAL FEDERAL BUDGET PROCESS



THE RECONCILIATION PROCESS IN THE HOUSE



Fiscal Responsibility

FY 2025 Budget Reconciliation

- Reconciliation package passed House May 22
 - Next: Senate takes a turn
- Concerns: Medicaid cuts
- Impact on nursing homes: retroactive eligibility
- Includes language on nursing home staffing standard
- Also watching out for Medicare sequestration:
 - \$500 billion cuts could be triggered by deficit under Statutory PAYGO Act
 - Would likely be waived by Congress

Fiscal Responsibility

FY 2026 Budget Resolution

- “Skinny budget” request received early May
- More detailed request expected soon
- Agency budget submissions and hearings underway
 - Three HHS hearings so far
- Subcommittee mark-ups scheduled for July
- Discretionary spending only (no info on Medicaid)

Fiscal Responsibility

President's focus:

- Defund NGOs and institutions of higher ed committed to radical gender and climate ideologies
- Defund federal services that could be better provided by the state
- Increase defense spending and border security

Fiscal Responsibility

\$30 billion cuts from HHS

- CDC: refocuses mission on core activities such as emerging and infection disease surveillance, outbreak investigations, and maintaining public health infrastructure
- CMS: eliminating funding used to carry out non-statutory, wasteful, and woke activities

Fiscal Responsibility

LeadingAge concerns:

- Shifting responsibility for emergency prep and response to states
 - CDC: eliminating Public Health Preparedness and Response Program
 - ASPR: eliminating Hospital Preparedness Program
- Eliminating health equity-focused activities

Fiscal Responsibility

LeadingAge Advocacy:

- Project PAUSE requests to FDA-Ag and Labor-HHS appropriations subcommittees
 - FDA: update on black box warnings
 - HHS: eliminate antipsychotics measure and modify MDS for GDR

Fiscal Responsibility

Government Accountability Office “High Risk” List

- Medicare and Medicaid called out for improper payments
- Recommendations:
 - Medicare: increase nursing home reporting, address Medicare Advantage payments
 - Medicaid: increase oversight of states, address screening and enrollment processes, collect information about Medicaid payments to providers

Fiscal Responsibility

Office of Inspector General document: \$17 billion in savings

- Released early May
- Highlights 5 areas where HHS could save, based on previous OIG reports
 - Improving risk adjustment in Medicare Advantage (\$6.9B)
 - Ensuring appropriate billing of hospital stays (\$4.9B)
 - Improving oversight of hospital billing / two midnights policy (\$2.9B)
 - Paying provider-based facilities at freestanding, non-facility rate (\$1.3B)
 - Preventing duplicate Medicaid managed care enrollments (\$1B)



Workforce

Immigration
American Jobs

Workforce

FY 2025 Budget Reconciliation – House Education & Workforce Committee (\$351B in savings)

- Taking aim at student loans:
 - Capping borrowing
 - Repealing repayment options
 - Eliminating economic hardship / unemployment deferment
-
- Includes Workforce Pell Act allowing Pell Grants to be used for short-term training programs such as direct care worker training programs

Workforce

Department of Education - Public Service Loan Forgiveness Program

- Pre-rulemaking – notice of intent to receive public feedback
- Considering modifying definitions of a qualifying employer

Follows EO asserting PSLF misdirected to organizations with “substantial illegal purpose”

- Aiding/abetting violation of immigration laws
- Supporting terrorism
- Child abuse (transgender treatment and support)
- Trespassing, disorderly conduct, public nuisance, vandalism, obstruction of highways

Workforce

Department of Education - Public Service Loan Forgiveness Program

- “Negotiated rulemaking” to develop consensus around specific proposals
- DOE seeking an advisor with knowledge of laws related to:
 - Immigration
 - Illegal discrimination
 - Domestic support of terrorism

Workforce

LeadingAge Advocacy (May 8)

- March 7 Executive Order: exclude organizations that have a substantial illegal purpose
- Authorizing statute for PSLF defines public service jobs to include full-time jobs at 501(c)(3)
- Department does not have authority to revise definition to exclude certain 501(c)(3) organizations based on mission

Workforce

Executive Order: Protecting the American People Against Invasion

- Enforcement, assessment of fines and penalties against undocumented individuals
- Enforcement against those who facilitate their presence in the US
- Sanctions against countries that present barriers to repatriation
- Deny federal funding to sanctuary jurisdictions
- Freeze/stop funding to NGOs providing assistance

Workforce

Executive Order: Preparing Americans for High-Paying Skilled Trade Jobs of the Future

- Expand registered apprenticeships to new industries and occupations
- Scale up across the country
- Enhance training opportunities and educational pathways beyond traditional four-year degrees



What to Expect?

What to Expect

More Medicaid applications

- Get to work on admission or pre-admission

Deregulation

- Keep up the quality to prove they're not necessary

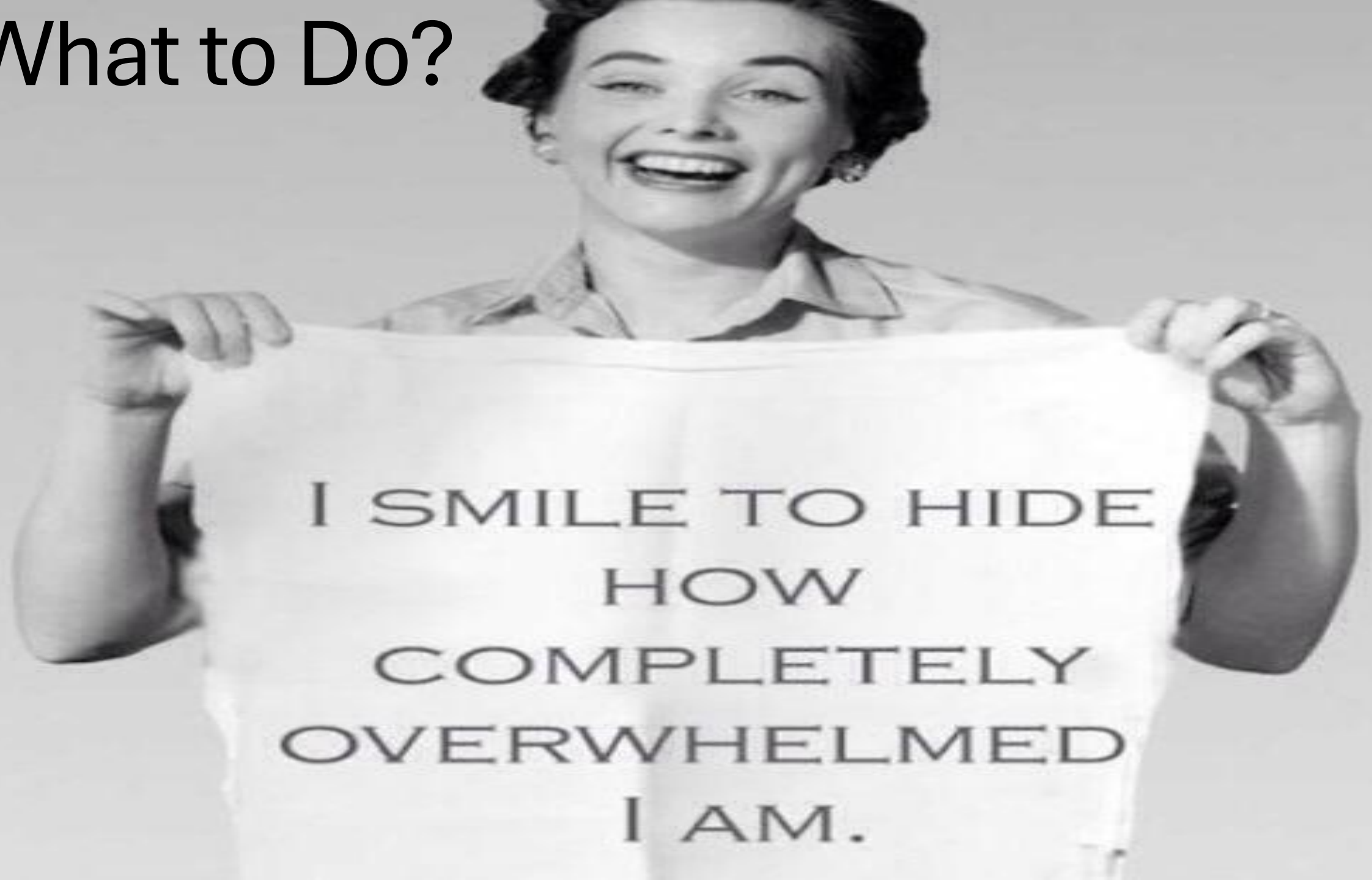
Scatter-shot approaches to public health / emergencies

- Who's cooking and how do we get a seat at the table?

Changes to workforce

- Build your pipeline; keep the focus on trades

What to Do?



Stay Informed

LeadingAge

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Congress in Your Neighborhood:

<https://leadingage.org/wp-content/uploads/2024/05/Congress-in-Your-Neighborhood-Step-by-Step-Guide-to-Congressional-Visits-2024.pdf>



Keep in Touch:

Jodi Eyigor | Senior Director, Nursing
Home Quality & Policy
jeyigor@leadingage.org

