

## Trump Administration's Day-One Healthcare Moves

In the first days of his second (nonconsecutive) presidential term, Donald Trump and his administration took a number of actions that will affect the healthcare industry in the near- and long-term. Further, the Trump Administration is reportedly poised to take a number of additional actions to pause, end, or otherwise change Biden-era initiatives. Meanwhile, President Trump's cabinet pick for the Department of Health & Human Services (HHS) hangs in the balance. This Health Capital Topics article reviews the new administration's actions impacting the healthcare industry as of the date of publication.

On January 21, 2025, the Trump Administration directed HHS and its subagencies, including the Centers for Medicare and Medicaid Services (CMS), the Centers for Disease Control and Prevention (CDC), the Food and Drug Administration (FDA), the Health Resources and Services Administration (HRSA), the National Institutes of Health (NIH), and the Substance Abuse and Mental Health Services Administration (SAMHSA) to pause all external communications.<sup>1</sup> The directive did not state when the pause on communications such as health advisories, weekly reports, website updates, and social media posts would be lifted or whether there were exceptions for urgent situations such as disease outbreaks.<sup>2</sup> While such pauses are not uncommon during administration transitions, the scope and length of this pause are exceptional.<sup>3</sup>

The Trump Administration also froze all healthcare rulemaking. Federal agencies may not issue new rules for 60 days; this includes proposed rules that are not yet finalized and finalized rules that are not yet effective.<sup>4</sup> Rules that the 60-day freeze affects includes the proposed updates to the HIPAA Security Rule (which includes new cybersecurity requirements) and a proposed rule for prescribing controlled substances via telehealth (which proposes a three-tiered system for remotely prescribing controlled substances).<sup>5</sup> Such pauses are fairly common, often employed by new administrations to review regulations and decide which to scrap and which to proceed with.<sup>6</sup> The administration also ordered a hiring freeze for all federal agencies, which expected to remain in place for 90 days.<sup>7</sup>

On January 20, 2025 (Inauguration Day), Trump rescinded 78 of former President Biden's executive orders, a number of which affect the healthcare industry.<sup>8</sup> Among those nixed orders include:

- A January 2022 executive order that established a special open enrollment period for federal health insurance exchanges and directed states to reexamine Medicaid work requirements;
- Five COVID-19 executive orders, including directing the implementation of new pandemic management strategies, the creation of a COVID-19 health equity task force, and other measures;
- A 2023 executive order that built on the Inflation Reduction Act of 2022 (IRA)<sup>9</sup> by directing the Center for Medicare and Medicaid Innovation to develop drug pricing models to lower the cost of expensive medications, require the coverage of generic drugs by Medicare Part D plans, and improve access to gene therapy. Notably, three models were developed but had not yet been implemented; and
- A 2023 executive order directing federal agencies to construct a regulatory framework for AI safety and transparency.<sup>10</sup>


Additionally, several affirmative executive orders were signed, including the withdrawal from the World Health Organization (WHO).

Beyond executive orders, the Trump Administration has worked to quickly appoint acting cabinet secretaries to serve until the Senate confirmation process is completed for the permanent appointments. Dorothy Fink, MD, an endocrinologist and longtime civil servant who previously led HHS's Office on Women's Health, was appointed acting HHS secretary.<sup>11</sup> Robert F. Kennedy Jr., an environmental lawyer and politician, was tapped to serve as permanent HHS secretary, and began appearing before Senate committees regarding his nomination to the position starting January 29<sup>th</sup>.<sup>12</sup>

Along with border security, energy, and production, healthcare appeared to be a large target for executive action during the Trump Administration's first days in the White House. What comes next, and how this will ultimately impact healthcare providers and patients, remains to be seen.

- 1 “Trump officials pause health agencies’ communications, citing review” By Lena H. Sun, Dan Diamond, and Rachel Roubein, The Washington Post, January 21, 2025, <https://www.washingtonpost.com/health/2025/01/21/trump-hhs-cdc-fda-communication-pause/> (Accessed 1/2/25).
- 2 *Ibid*; “Trump freezes HHS communications: report” By Bridget Early, Modern Healthcare, January 22, 2025, <https://www.modernhealthcare.com/politics-policy/hhs-external-communications-paused-trump-administration> (Accessed 1/22/25).
- 3 The Washington Post, January 21, 2025.
- 4 What Trump's first day orders mean for healthcare: Ditched drug models, pauses on rules and hiring” Fierce Healthcare, January 21, 2025, <https://www.fiercehealthcare.com/regulatory/what-trumps-first-day-orders-mean-healthcare-ditched-drug-models-pauses-rules-and-hiring> (Accessed 1/22/25).
- 5 *Ibid*.
- 6 *Ibid*.
- 7 *Ibid*.
- 8 *Ibid*.
- 9 Among other things, the IRA lowered the cost of prescription drugs by adding capping out-of-pocket pharmacy costs and implementing a \$35 monthly cap per insulin prescription covered by Medicare. “Executive Order 14087—Lowering Prescription Drug Costs for Americans” UC Santa Barbara, The American Presidency Project, October 14, 2022, <https://www.presidency.ucsb.edu/documents/executive-order-14087-lowering-prescription-drug-costs-for-americans> (Accessed 1/23/25).
- 10 “The Trump executive orders that impact healthcare” By Bridget Early, Modern Healthcare, January 22, 2025, <https://www.modernhealthcare.com/policy/trump-executive-orders-insurance-drug-pricing> (Accessed 1/22/25).
- 11 “Trump team taps Dorothy Fink to serve as interim HHS secretary” By Dan Diamond, The Washington Post, January 19, 2025, <https://www.washingtonpost.com/health/2025/01/19/trump-hhs-appointments-interim-secretary/> (Accessed 1/23/25).
- 12 Of note, Mr. Kennedy must first achieve a favorable majority vote by the Senate Finance Committee in order to advance his nomination to the full Senate. “RFK Jr. to face key Senate committee hearings next week” By Rachel Cohrs Zhang, Stat News, January 22, 2025, <https://www.statnews.com/2025/01/22/trump-hhs-pick-rfk-jr-senate-finance-hearing-scheduled/> (Accessed 1/23/25).

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