

Special Needs Alliance:

Public Policy News You Can Use



April 28, 2025

President Trump Says he will Veto Cuts to Medicaid & Social Security

President Donald Trump [recently stated](#) he will not sign any legislation that cuts Social Security or Medicaid benefits in a recent interview, drawing a firm line as Congress debates a new tax-and-spending package in the reconciliation process. In a TIME magazine interview, Trump said, “If it cuts it, I would not approve,” and confirmed he would veto such a bill. While open to reducing “waste, fraud, and abuse” in Medicaid, the President’s stance complicates Republican efforts to find spending offsets for a bill that aims to renew his 2017 tax cuts. Some conservative lawmakers are pushing for as much as \$2 trillion in spending reductions over the next decade, potentially targeting programs like Medicaid and food stamps. However, moderate Republicans and several senators have pushed back, vowing to oppose any package that severely cuts funding to the Medicaid program. President Trump’s recent comments might complicate reconciliation proceedings for Speaker Mike Johnson, who has only a razor-thin majority to work with in the House. Speaker Johnson said he aims to pass the reconciliation package by the end of May, while Senate Republicans suggest completion by August. The legislation is projected to deliver up to \$5.3 trillion in tax cuts over ten years and raise the debt ceiling by \$5 trillion.

CMS Considering Medicaid Provider Tax Regulations

The Centers for Medicare and Medicaid Services (CMS) [submitted](#) a regulation to the Office of Management and Budget (OMB) called [Preserving Medicaid Funding for Vulnerable Populations—Closing a Health Care-Related Tax Loophole](#). The rule description states that it intends to update existing regulations governing the process for states to waive “requirements that health-care related taxes are broad based and uniform to ensure that taxes passing the statistical test are generally redistributive”. Industry experts anticipate the rule will address provider tax regulations. Earlier this month, the Bipartisan Policy Center

[released](#) an issue brief recommending a reduction in the safe harbor threshold for provider taxes.

Secretary Kennedy Mulls Over COVID-19 Vaccination Recommendation for Children

Department of Health and Human Services (HHS) Secretary Robert F. Kennedy Jr. [is reportedly](#) considering removing the COVID-19 vaccine from the recommended childhood vaccine schedule. If implemented, the removal of the COVID-19 vaccine from the Centers for Disease Control and Prevention (CDC) immunization schedules would be Secretary Kennedy's most significant move on vaccination policy in his role so far. Although the removal of the vaccine from the CDC schedules would not bar any children from receiving it, the directive would represent an unprecedented intervention by an HHS Secretary to override the CDC's recommendation. Notably, no states currently require the COVID vaccine to attend school, but insurers closely monitor the schedule to decide which vaccines to cover. Secretary Kennedy, a long-time vaccine skeptic, has previously questioned the efficacy of the vaccine – noting that children are unlikely to face severe illness or death from COVID-19.

GOP Considers Scaling Back Federal Medicaid Expansion Funding

House Republicans are [considering](#) a proposal to reduce the federal matching funds for Medicaid expansion from 90% to a level between 50% and 80%, aligning it with traditional Medicaid funding. According to Representative Austin Scott (R-GA) in an interview with *Fox Business News*, this change is not intended to automatically remove individuals from the program if states choose to continue funding their share. Democrats and Medicaid advocates have criticized this proposal as an attempt to undermine Medicaid, despite previous assurances that the program would not be cut during the reconciliation process. Several swing-state Republicans have also expressed concerns about cuts that could harm vulnerable constituents, and reports suggest that Trump insiders are [not interested](#) in undermining the popular program. This policy change is estimated to save the federal government hundreds of billions of dollars over a decade but could also lead to states ending or reducing their expansions, potentially causing millions to lose coverage. The debate highlights a significant point of contention as House Republicans seek ways to offset spending in an upcoming reconciliation bill.

What's on Tap

Congress returns to Washington D.C. this week with only a short runway to advance a reconciliation package along Speaker Johnson's (R-LA) ambitious timeline. Key House committees are bracing for their respective markups scheduled for both this week and next,

with many Republicans in both chambers still divided over the likely cuts to Medicaid being used to offset tax cuts and other spending priorities. Previously, a dozen House Republicans [wrote](#) to GOP leadership, vowing to oppose any reconciliation package containing severe cuts to the Medicaid program. With an already razor thin majority in the lower chamber, Speaker Johnson cannot afford to lose such a substantial portion of his conference. A recent analysis conducted by the Congressional Budget Office (CBO) found that the Energy & Commerce Committee would be [unable to find](#) \$880 billion in savings solely from Medicaid over the next decade and would need to look to other spending under its jurisdiction.

A [new report](#) commissioned by the Pharmaceutical Research and Manufacturers of America (PhRMA) warns that proposed Trump administration tariffs on pharmaceutical imports could raise U.S. drug costs by nearly \$51 billion per year. Conducted by Ernst & Young, the analysis estimates that a 25% tariff could boost U.S. drug prices by as much as 12.9% if fully passed on to consumers. The U.S. imported \$203 billion in pharmaceuticals in 2023, primarily from Europe, representing a critical vulnerability as the Trump administration intensifies its efforts to bring pharmaceutical production back to U.S. soil. Industry leaders argue that tariffs would instead drive-up domestic manufacturing costs, reduce global competitiveness, and put tens of thousands of U.S. export-related jobs at risk. The administration's probe into pharmaceutical imports has triggered a 21-day public comment period, as companies scramble to seek exemptions or propose alternative policies to mitigate the economic fallout. This uncertainty comes as many pharmaceutical companies have ramped up their federal lobbying efforts to counter narratives emanating from the White House and HHS Secretary Kennedy about Americans' reliance on pharmaceuticals.

In parallel to the President's [recent efforts](#) to increase the US birth rate and utilization of in vitro fertilization (IVF), it was revealed that the Department of Government Efficiency (DOGE) led-layoffs have severely limited the capabilities of the Department of Health and Human Services' (HHS) maternal health and reproductive medicine programs. HHS cut over 10,000 people at the start of this month, including around three quarters of the Centers for Disease Control and Prevention's reproductive health division. The CDC's National Center for Health Statistics is still planning to publish its annual maternal mortality report, but as said the report provides only surface level information on maternal deaths and does not dive into the root causes.

Upcoming Events

- Tuesday, April 29th, 2:15pm|[House Committee on Veterans' Affairs Subcommittee on Health holds a hearing on Reforming State Veterans Homes](#) |360 Cannon House Office Building

