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Attacks on DEI, a Halt on Health Communications, and an Unprecedented Freeze on Federal Funds: What Do Trump's Early Actions Mean for Health Care Access?

President Trump made good on his promise to hit the ground running in his second term in office, with a slew of Executive Orders and other executive actions issued in his first several days on the job. Three areas that have had an immediate impact on health care are: 1) the swift rollback (and repudiation) of federal diversity, equity, and inclusion (DEI) programs and activities, 2) the "pause" on federal health communications, and 3) the White House Office of Management and Budget (OMB) memo temporarily halting disbursement of federal financial assistance and grants. As always, there is a mix of both rhetorical posturing and real and immediate consequences in these actions, which has contributed to fear and chaos as federal agency staff, subcontractors, and communities work to understand them.

DEI Rollback

On his first day in office, President Trump signed a sweeping Executive Order announcing an end to federal DEI programs. The Executive Order requires federal agencies to enumerate and report all DEI related positions, contractors, and federal grant funding and all federal spending related to DEI under the past administration.

Ostensibly, these reporting requirements are to assist the administration to assess the "economic and social costs" of DEI efforts. Following the Executive Order, the Office of Personnel Management (OPM) notified all federal agencies to submit written plans to shut down DEI offices by the end of January. However, by the end of last week, OPM sent a second memorandum directing agencies to

Executive Order on DEI Programs

- Terminate all DEI positions, equity action plans, initiatives, and programs, equity-related grants or contracts, and DEI performance requirements for employees, contractors, and grantees
- Requires agency heads to enumerate all DEI focused positions, programs, and expenditures as well as contractors providing DEI training
- Agency heads must also provide a list of federal grantees who received federal funding to "provide or advance" DEI programs in the past four years

begin issuing "reduction-in-force" (RIF) notices to DEI staff immediately (RIF actions allow for federal agency staff to be let go without firing them).



The impact of the attacks on DEI have been immediate and significant. DEI offices that had been tasked with providing support for equity initiatives within federal agencies have been shuttered, with resources and web pages quickly removed from federal websites. Likely because of the broad language in the Executive Order, federal agencies haven't stopped at rolling back DEI offices. The Food and Drug Administration (FDA), for instance, not only shuttered DEI programs, but also removed all information referring to diversity of participation in clinical trials. This could have severe negative consequences for efforts to ensure that drugs and devices are tested across different populations to better understand benefits and risks. For federal programs aimed at addressing inequities in public health access (e.g., HIV, viral hepatitis, and sexually transmitted infection programs), the sweeping language used in the Executive Order could hamper initiatives and grant funding that focus on health disparities across race, ethnicity, gender, and LGBTQ+ status.

Beyond the Executive Order's immediate reach into federal agencies and funding, the order has also had a chilling effect on DEI efforts even outside of federal government. Private companies are also examining the Executive Order and ending or restructuring DEI initiatives in response.

Halt on Federal Health Communications

Shortly after President Trump took office, federal health care agencies <u>were directed</u> to "pause" all external communications until the end of January. While a resetting of federal communications priorities is not necessarily uncommon during an administration transition, the scope of the health-related communications radio silence is unprecedented.

In addition to the pause on external communications until February 1, health agencies and federal grantees began reporting they had been directed to comply with a much longer 30-day pause on federal training, meetings, and webinars. This action has already delayed scheduled trainings for recipients of federal grant funds, such as webinars and resources for federal HIV grantees. The Centers for Disease Control and Prevention (CDC) has also paused publication of its weekly release of the Morbidity and Mortality Weekly Report, an epidemiology alert that has been published without interruption for decades and that provides updates on important public health activities, such as infectious disease transmissions. Although some CDC public health data is still being released, the reduced public access to CDC data threatens public safety by impairing public health officials' ability to respond quickly to respiratory or foodborne disease outbreaks.

The <u>scientific community has also been thrown into chaos</u>, with federal National Institutes of Health (NIH) meetings, federal agency staff research presentations, and slated peer-reviewed publications abruptly canceled last week. Agency staff have reported that the gag order on federal scientists is already <u>hampering the day-to-day functioning</u> of the agencies, which depends on stakeholder meeting and collaboration with external researchers and experts. The freeze has meant that meetings, such as <u>NIH study sections</u> that review and assess research proposals, have been abruptly canceled. If the pause on these meetings drags on, funding decisions and disbursements could also be delayed, slowing down critical research.

On Monday, the NIH clarified that <u>mission-critical research and ongoing clinical trials</u> can continue, but much still remains unclear. The health communications halt is both ominous and confusing, with no clear information about the purpose of the widespread pause, the criteria with which planned communications and meetings are being reviewed, and what changes will be required once activities resume under the new administration.



Impoundment of Federal Funds

On Monday night, the acting director of the OMB issued a short memo to all federal agencies ordering them to "temporarily pause all activities related to obligation or disbursement of all Federal financial assistance, and other relevant agency activities that may be implicated by [Trump's] executive orders, including, but not limited to, financial assistance for foreign aid, nongovernmental organizations, DEI, woke gender ideology, and the green new deal." This amounts to a tremendously broad order purporting to halt or "impound" any as-yet-unpaid funds for federal grants, cooperative agreements, direct appropriations and more—likely totaling billions of dollars—while Administration officials determine whether the funds are consistent with Trump's policy agenda, particularly his efforts to eliminate programs designed to promote equity.

If implemented, this move would have massive implications for public health efforts at the local, state, regional, and global scale. Many state and local governments and nonprofits receive federal financial assistance to help them meet the healthcare and public health needs of their communities, and federal foreign aid supports critical global health efforts. Already, PEPFAR—a U.S. global health program that provides HIV treatment to millions of people worldwide—has had its activities threatened, with an Administration announcement over the weekend that PEPFAR's funding disbursements would be paused for at least 90 days. This pause could lead to treatment interruptions for people who rely on PEPFAR for HIV care, putting untold numbers of lives at risk and increasing the threat of drug-resistant HIV, which could in the long-run impact public health in the U.S.

The freeze could also have implications for domestic access to care. Shortly after the freeze was announced, there were <u>reports</u> that state Medicaid funding portals were down. If the portals are down, then states cannot draw upon federal funds to pay for Medicaid covered services. On Tuesday, OMB <u>clarified</u> that this freeze should not apply to Medicaid. It is unclear if the interruption in payments delayed or prevented any patient care before access to the portals was restored, but this incident illustrates the complexity and fragility of our health care financing system.

However, as with many of Trump's other early actions as President, the extent to which the impoundment order will be implemented remains to be seen and things continue to develop fast and furious. A day after the freeze was announced, a federal judge temporarily blocked it. The next day, January 29, OMB issued a two line memo rescinding the freeze, but the White House Press Secretary added to the confusion in an announcement that only the OMB memo was being rescinded; "this is NOT a rescission of the federal funding freeze." Many legal scholars believe that the freeze is outside the power of the Administration, as it directly contradicts a federal statute (the Impoundment Control Act) and likely exceeds the executive branch's authority as established in the federal Constitution. CHLPI will continue to follow this rapidly developing issue and will share information and analysis as we learn more.

What's Next?

It is possible that at least some of the dust will settle on the new Administration's approach to health programs and communications once the Secretary of Health and Human Services (HHS) is confirmed. The Senate is holding hearings this week on the president's nominee for this position, Robert F. Kennedy, Jr. If confirmed, the direction Kennedy would take on <u>public health</u> commitment to scientific inquiry and evidence-based communications is very much an open question.



However, sowing chaos and confusion among the scientific, health, and public health fields is also at least to some degree intentional. Moreover, it may be a while before we get clarity—possibly through a Supreme Court ruling—on Trump's ability to cancel previously committed federal funds. Watch this space for further updates as more changes become clear—and as advocates continue to fight for equitable, evidence-based healthcare access.

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