

# CAPITOL STREET

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February 13, 2025

## New HHS Secretary to Address Vaccines/ACIP, GLP-1s, DOGE, MA

Join Us Friday at 10 AM to Discuss RFK's Likely Next Steps

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### »» Our Take & Next Up

**The Senate will likely confirm RFK Jr as HHS Secretary today.** The full Senate is set to vote on RFK Jr.'s nomination as HHS Secretary. The vote follows the required 30 hours of post-closure debate time after a successful cloture vote yesterday (53-47). Healthcare momentum will shift to the Reconciliation bill (Medicaid), as we await CMS and FDA nomination hearings. Dr. Oz is up next, and we think will get the needed 51 votes. Dr. Makary is also making the rounds in the Senate.

**On Valentine's Day (Fri, Feb 14) at 10 am ET, Capitol Street will host a fireside chat with Vaccines and Medical Technology / Public health expert Richard Hughes** (bio [here](#)) from Epstein Becker to discuss what we can expect in the first 100 days and beyond from Bobby Kennedy. The link to register for webinar is [here](#).

### »» Key Points

**A vaccine safety board/commission may not be welcome news for manufacturers but would make sense given the commitments RFK, Jr provided to Sen. Cassidy.**

- **Senate HELP Cmte Chairman Cassidy (R-LA) referenced the creation of a vaccine safety review commission or board.** The Board/commission would be a jumping off point to extract evidence of poor vaccine safety that will inform any changes the administration plans to make. There were talks of creating a vaccine safety board under Trump's first administration, but it never materialized.
- **There is precedence with the disbanded Task Force on Safer Childhood Vaccines.** This was a task force created by the National Childhood Vaccine Injury Act in 1986 and reported on ways to promote safer vaccines and improve testing, manufacturing, and labeling. The task force was disbanded in 1998, but could be revived. RFK Jr. is aware of the Task Force as he wrote to HHS in 2017 asking NIH director, Francis Collins, to utilize the task force to improve vaccine safety.

**RFK Jr. could reshape the ACIP membership and influence CDC federal vaccination recommendations (despite promises made).**

- **RFK Jr. may be able to change the following:** the scope of work, change how frequently ACIP meets, change membership, or decide whether or not the committee exists.

- **One of the earlier catalysts is the ACIP's charter renewal which must be done by April 1, 2026.** RFK Jr. could make changes to membership, the goal of the committee, among other changes at that time. RFK Jr. could also reshape the composition of the work groups that review individual vaccines and recommend the approach the full committee should take.
- **Ongoing avian flu poses a major public health challenge.** Avian flu continues to be a public health threat as the administration looks for ways to cut agency budgets and provide limited scientific information with the public. A communications pause at federal health agencies and an order that's led to the removal of webpages and certain health information presented early signals of the potential difficulty of tracking public health crises under the new administration. The webpages are back online as of today, following a court order to restore access.

**Liability will almost certainly be addressed, in our view, as well as additives/stricter vaccine trials & regulatory requirements.** RFK, Jr. wants to make sure unnecessary additives are not ingredients in vaccines for Americans. He could look into altering vaccine liability, which could be a headwind for manufacturers. Notably, the RSV vaccine has no federal protection from liability as there is no tax on RSV immunizations, making it ineligible for the National Vaccine Injury Compensation Program (legislation to include it will likely not be taken up). FDA could request post-market studies, more rigorous clinical trials and even registries to track adverse events.

## **DOGE & STAFFING, NOMINATIONS**

**DOGE reductions and agency cuts are ongoing and swift.** A DOGE EO (Feb 11 here) may have replaced a speculative upcoming order that would halve the FDA workforce, and impact thousands of workers at HHS. The administration has already required federal employees to work in person, eliminated government positions related to diversity, and limited the legal protections offered to career staff. OPM sent a memo to government employees offering to pay them through September if they choose to resign by Feb. 10. This order was originally put on hold by a federal judge. However, it was allowed to proceed last night (Feb. 12).

**Next up, the nomination process will pivot to CMS Administrator, Mehmet Oz (Dr. Oz).** The former heart surgeon is nominated to lead CMS under RFK Jr. He has been a strong supporter of privatized Medicare ("Medicare Advantage for All"). We note that his previous financial ties to MA will be questioned as he owned UNH and CVS stock. He supported the ACA in 2009 & 2010, but in 2022 he noted that he would vote to repeal it. His key priorities likely include addressing declining physician payment, reforming the RVS Update Committee (RUC) system which sets Medicare payments, and encouraging MA enrollment.

## **LEFTOVER BIDEN RULES: MA FINAL & GLP-1 COVERAGE**

**It remains unclear if RFK Jr. will sign off providing Medicare obesity drug coverage under Part D due to costs and his opposition to relying on drug treatments.** As a reminder, the proposed Part D coverage of treatments for the "disease of obesity" is scheduled to be finalized this Spring. Our take here. The estimated costs for Medicare and Medicaid of this proposal are substantial - \$24.8 billion and \$14.8 billion for Medicaid over 10 years.

**Medicare Advantage (MA) final 2026 rates are likely to improve by at least 100-150bps.** We expect an upward revision of 1-1.5% in final 2026 rates, given utilization that has not yet been incorporated into rates, per CMS commentary in the preliminary notice. We do not expect changes to V28 program or HRAs, though

comments may be requested on key topics, as the final rule is the first one the Trump CMS will release, impacting MA.

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