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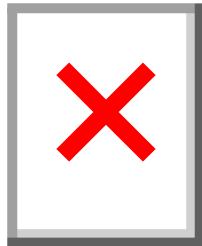
Sent: Jun 26, 2025 08:50:56.000000000 UTC

Subject: Thune's megabill teeters on the brink

To: jperperian@cityofmelrose.org <jperperian@cityofmelrose.org>

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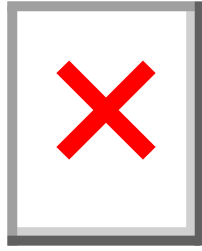
BY LISA KASHINSKY, JORDAIN CARNEY, MEREDITH LEE HILL, MIA MCCARTHY, CALEN RAZOR AND BENJAMIN GUGGENHEIM



Presented by

IN TODAY'S EDITION:

- GOP Medicaid mutiny grows
- Senators huddle for an Iran briefing
- Kids' privacy bill advances in the Senate



Senate Majority Leader John Thune is trying to tamp down revolts on both sides of the Capitol over his chamber's Medicaid plan. | Francis Chung/POLITICO

Senate Majority Leader John Thune is scrambling to quell the Medicaid-fueled mutiny that's threatening to derail the megabill on both sides of the Capitol.

In the Senate, "Medicaid moderates" are rejecting Finance's opening offer of \$15 billion for a stabilization fund for rural hospitals to help offset paring back the provider tax in expansion states from 6 percent to 3.5 percent.

Sen. Susan Collins called it "inadequate" and warned that even if leadership goes up to the \$100 billion she's seeking, "that doesn't solve" her issues with the bill. Thune closed the door to \$100 billion soon after.

Multiple senators are threatening they won't vote to open floor debate on the megabill without more clarity on Medicaid changes. That includes Sen. **Thom Tillis**, who warned colleagues behind closed doors Wednesday that "you won't have a member from North Carolina sitting at this table after

next year” unless the Senate changes course, [Jordain scooped](#). (Reminder, Sen. **Ted Budd** isn’t up for reelection until 2028.)

Sen. Josh Hawley later [posted on X](#) that he spoke with **Donald Trump** and the president wants the Senate to “stay with the House” on Medicaid. Look for whether Trump issues further instructions today: Several GOP senators are expected to head to the White House for a 4 p.m. event to tout the “big, beautiful bill.”

Over in the House, wary moderates are also rejecting the rural hospital fund; one told Mia it’s “bullshit.”

Speaker Mike Johnson is trying to calm nervous members by telling them he expects the Senate Medicaid language will move closer to the House’s, our Meredith Lee Hill reports. House GOP leaders and moderates believe the provider tax will end up between 4 percent and 5 percent, according to four people granted anonymity to describe private conversations. Some House Republicans are prepared to swallow that. Others are protesting.

Those numbers aren’t currently under serious consideration in the Senate, two people granted anonymity told Jordain, where there’s general skepticism that rank-and-file Republicans across the Capitol have a good read on the negotiations. (Johnson and Thune are in close contact, though; the Senate leader stepped out of Wednesday’s lunch on the phone with his House counterpart.)

But a Senate shift could end up happening if Thune’s members force his hand. Asked Wednesday about softening the provider-tax language, Thune didn’t completely close the door. “This all comes down to what the traffic will bear,” he told Jordain.

Other outstanding megabill issues:

— ***Feeling less salty?***: Blue-state House Republicans expected to receive two options in writing for a potential deal on the state-and-local tax deduction, Meredith reports. Rep. **Mike Lawler** said the SALT Republicans’ Wednesday meeting with Treasury Secretary **Scott Bessent** and Sen. **Markwayne Mullin** involved a “productive conversation.”

— **Public-lands push and pull:** Our James Bikales and Josh Siegel got their hands on Sen. **Mike Lee**'s [scaled-back plan to sell off millions of acres in public lands](#), which he's shipped off to the parliamentarian for review. It could still face GOP pushback.

— **Inside RonJohn's White House talks:** Sen. **Ron Johnson** told Jordain the White House is working with him to [establish a budget review panel](#) through reconciliation. He's not a "yes" on the megabill yet, though.

GOOD THURSDAY MORNING. Congrats to Rep. **Don Beyer**, who was the final competitor standing at last night's National Press Club spelling bee (did anyone else know how to spell "pekoe" or "stygian"?). Email us at lkashinsky@politico.com, mmccarthy@politico.com, crazor@politico.com and bguggenheim@politico.com. Follow our live coverage at politico.com/congress.

A message from Jewish Federations of North America:

The Jewish Federations of North America, in coordination with The Conference of Presidents of Major American Jewish Organizations, are convening leaders from 100 Jewish communities and over 40 Jewish organizations, representing 7.5 million Jewish Americans, to DC this week to call on Congress and the Trump Administration to take action to safeguard Jews and Israel. Find out more about their six-point security agenda at <http://jfed.org/sixpointsecurity>

THE SKED

The **House** is in session and voting on a bill that would allow undocumented immigrants to be deported for DUIs at 3 p.m.

— **Minority Leader Hakeem Jeffries** will host a shadow hearing with the Democratic Women's Caucus on reproductive rights at 9 a.m.

— **Appropriations** will have a full committee markup of the fiscal 2026 legislative branch bill at 10 a.m.

— **Energy and Commerce** will have a subcommittee hearing on the state of the National Highway Traffic Safety Administration at 10 a.m. and a

subcommittee hearing on the value of coal ash at 10:15 a.m.

— **Financial Services** will have a subcommittee hearing on the CFPB’s alleged regulatory overreach at 10 a.m.

— **Natural Resources** will have a subcommittee hearing on wildfire management at 10 a.m.

— **Speaker Johnson and other congressional leaders** will hold a Congressional Gold Medal ceremony honoring U.S. Army Ranger Veterans of WWII in Emancipation Hall at 11 a.m.

The **Senate** is in session and will resume consideration of **Kenneth Kies** to be an assistant secretary at Treasury at 3:30 p.m. A confirmation vote is expected to follow.

— **HELP** will consider various nominations including for **Anthony D’Esposito** to be inspector general at the Labor Department at 9:30 a.m.

— **Armed Services** will consider various nominations including for **Hung Cao** to be under secretary of the Navy at 9:30 a.m.

— **Judiciary** will consider various nominations including for **Whitney D. Hermandorfer** to be U.S. Circuit judge for the sixth circuit at 10:15 a.m.

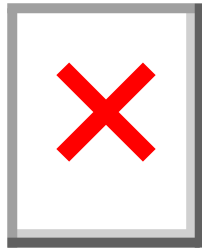
— **Appropriations** will have a subcommittee hearing on the president’s fiscal 2026 budget request for the Air Force and Space Force at 10:30 a.m.

— **Senators** will huddle for a briefing on Iran at 2 p.m.

— **Intel** will have a closed hearing at 3 p.m.

The rest of the week: The House will vote on a resolution condemning riots in Los Angeles. The Senate will work toward passing the GOP megabill and continue working through Trump’s nominees.

THE LEADERSHIP SUITE



Senate Armed Services Chair Roger Wicker has a raft of questions over the Trump administration's strike on Iran. | Francis Chung/POLITICO

Lawmakers look for answers on Iran

Senators will huddle at 2 p.m. for their rescheduled briefing on the Iran conflict. As of late Wednesday night, the potential speaker list included Defense Secretary **Pete Hegseth**, Secretary of State **Marco Rubio**, CIA Director **John Ratcliffe** and Joint Chiefs Chair **Dan Caine**, but Senate aides cautioned the list could change.

With competing narratives and a lack of clarity on the effectiveness of the U.S. strike on Iran's nuclear facilities, Republicans said Wednesday they're hoping to hear a robust assessment of the damages.

Armed Services Chair **Roger Wicker** told Calen that his questions for the administration include how long it would take the Iranian regime to reboot its nuclear program, what scientific knowledge Iran possesses for nuclear capability and what Israelis say about the extent of the bombing damage.

Democrats, largely disturbed by the lack of customary congressional notifications ahead of the military operation, want to press the administration on transparency and its war-making authority. Sen. **Tim Kaine** is looking to move forward with his war powers resolution after the briefing.

Johnson said the House is aiming for Friday morning for their briefing.

Thune's rescissions struggle is real

Thune's next test after the megabill: unifying Republicans behind Trump's rescissions request ahead of the July 18 deadline.

Senators left a hearing with OMB Director **Russ Vought** Wednesday [deeply divided over the steep cuts the White House wants](#) to make to global health programs and public radio. Vought won over Sen. **Lindsey Graham**, a long supporter of PEPFAR who said the budget chief "opened my eyes" to wasteful spending under the AIDS-fighting program.

But Collins, the Senate's top appropriator, is standing firm against cuts to PEPFAR and believes "public television and the emergency alert system and the grants to local radio stations should not be cut." She told Calen she's "looking at drafting an alternative package of rescissions" but is leaving the call on a markup up to Thune.

Sens. **John Boozman** and **John Hoeven**, who also sit on the Appropriations panel, are keeping their powder dry until they get more details on the cuts. One of Hoeven's priorities is finding a way to maintain the food assistance program, Food for Peace, provided through USAID.

A fresh chapter for Playbook—powered by bold reporting and unrivaled access. Jack Blanchard leads with clear-eyed analysis on Trump's second term. Dasha Burns brings exclusive White House scoops as one of the most sourced Trump reporters in D.C. Adam Wren writes the must-read political storytelling every weekend. [Sign up now](#) to read what Washington's power players use to drive their day.

COPPA 2.0 ADVANCES — The Senate could soon vote on a measure designed to protect children online [after Senate Commerce advanced the bill](#) on Wednesday, our Alfred Ng reports. It's known as COPPA 2.0 because it would update the original 1998 children's online privacy law.

The main sponsor, Sen. **Ed Markey**, has been trying to pass it for more than a decade. In the last Congress, it was tied to the Kids Online Safety Act and advanced out of the Senate but never made it to a House floor vote. Now separate, this bill would extend online privacy protections to anyone under 16 instead of 13, and limit how companies use data belonging to users under 16.

FLOOD WATCH INCOMING — House Financial Services is actively discussing the [National Flood Insurance Program](#) as the Trump administration proposes dismantling it and the Federal Emergency Management Agency, Housing and Insurance subcommittee Chair **Mike Flood** told our Katherine Hapgood.

The NFIP covers 95 percent of flood insurance policy holders in the U.S. and has been reauthorized by Congress 33 times since 2017. There's bipartisan consensus that it needs improvements, but lawmakers are unlikely to make progress before a Sept. 30 expiration deadline.

Flood said the program was on the radar of Chair **French Hill**, adding the two spoke about it this week.

NEW RECOMMERCE CAUCUS ALERT — Reps. **Sydney Kamlager-Dove** and **Nicole Malliotakis** launched the Recommerce Caucus Wednesday — a bipartisan coalition that will champion the buying and selling of pre-owned, refurbished and secondhand goods.

With the endorsement of leading platforms like eBay, Etsy, Pinterest and Poshmark, the caucus will advocate for policies to empower small sellers and encourage environmentally responsible commerce. The growing sector is projected to reach \$1.04 trillion globally by 2035.

FIRST IN INSIDE CONGRESS: ALSO ON THE CAUCUS WATCH — The new Lowering Costs Caucus seeks to combat Trump's economic policy as Republicans push forward on the megabill, which proposes significant cuts to safety net programs like Medicaid and food assistance.

Its founding members are Democratic Reps. **Hillary Scholten, Greg Landsman** and **Derek Tran** — who, along with doing legislative work to promote solutions to lower costs, will help members organize district events and devote floor time to highlight their efforts. Organizers told Calen the caucus will be open to members of both parties.

Best of POLITICO Pro and E&E:

- **Pro Transportation:** [Commerce retains space launch fee; EPW's tailpipe emission rule dropped](#)
- **Pro Technology:** [House China bill to bar 'adversarial' AI from government](#)

A message from Jewish Federations of North America:



CAMPAIGN STOP

MAMDANI EARTHQUAKE SHAKES THE HILL — Jeffries and **Chuck Schumer** offered guarded praise for **Zohran Mamdani** Wednesday after his seismic upset in the Democratic primary for New York City mayor. But the Democratic leaders, both Brooklynites, stopped short of endorsing the 33-year-old democratic socialist, whose ideology is at odds with the party establishment.

Meanwhile, two Democrats in suburban New York swing districts, Reps. **Laura Gillen** and **Tom Suozzi**, were quick to distance themselves from Mamdani, seeing him as a potential liability with centrist voters. Mamdani Wednesday did pick up general-election support from Rep. **Jerry Nadler**, who had previously endorsed a different candidate.

Coming up in Playbook: Democrats are scrambling to discern what Mamdani’s all-but-certain victory means for the party heading into 2026 and 2028. Sen. **Bernie Sanders** [gave his read to our Holly Otterbein](#) on Wednesday, saying Democratic leadership is “way out of touch” and is “probably more willing to go down with the Titanic” than try something new. Others beg to differ.

FIRST IN INSIDE CONGRESS: PAXTON POLL PUTS CORNYN BEHIND — Four-term Sen. **John Cornyn** trails challenger **Ken Paxton** by 19 percentage points in a poll of Texas GOP primary voters from a Paxton-aligned super PAC, our Ben Jacobs reports. Remarkably, it also shows Paxton, the state attorney general, with higher name ID than Cornyn, who’s long been a fixture in Texas and national politics.

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TUNNEL TALK

CONGRESS FUNDING CONGRESS — House appropriators will [mark up the Legislative Branch funding bill today](#) — and there is a lot they want to

see changed on Capitol Hill in their committee report released on Wednesday, our Katherine Tully-McManus reports. The panel had thoughts on member security, designated parking spaces, food service that accommodates more allergies and celiac disease, elevator outages and dome tours ahead of today's markup.

THE BEST OF THE REST

[Homeland Security Gavel Race Takes Shape as Members Make Pitches](#), from Ellen Gilmer at Bloomberg Government

[Your gym membership could become HSA-eligible under GOP tax bill](#), from Julie Zauzmer Weil at the Washington Post

JOB BOARD

Georgios Karides is now a scheduler/staff assistant for Rep. **Gus Bilirakis**.

Adam Safran is now acting legislative director for Rep. **Sheila Cherfilus-McCormick**. He previously was her senior legislative assistant.

Brad Decker is now legislative director for Rep. **Mark Green**. He most recently was legislative director for Rep. **Keith Self**.

Courtney Corrado has been promoted to press secretary for Sen. **Tim Scott**.

Jeffrey Lopez, a former senior policy adviser and state staffer for Sen. **Ben Ray Luján**, will now serve as director of the New Mexico Office of Broadband Access and Expansion.

Hale Diamond is now creative director for Rep. **Joaquin Castro**. She previously was comms director for Rep. **Tim Kennedy** and is a House Transportation and Infrastructure Dems alum.

Eric Lipka is now speechwriter for Senate Minority Whip **Dick Durbin**. He previously was Pennsylvania deputy press secretary on **Kamala Harris'** campaign and is a Sen. **Elizabeth Warren** alum.

Jack Ruddy, longtime aide of House Transportation Chair **Sam Graves**, is joining AxAdvocacy as senior vice president of government relations. Over his 14-year stretch on Capitol Hill, Ruddy held a variety of leadership roles under Graves and played a key role in getting the 2024 FAA law passed.

Robert Edmonson, the chief of staff to newly elected Oversight ranking member **Robert Garcia**, [will be the staff director for the committee's Democrats](#), our Nicholas Wu reports. Edmonson previously was Rep. **Nancy Pelosi**'s chief of staff before joining Garcia's office.

A message from Jewish Federations of North America:

The Jewish Federations of North America, in coordination with The Conference of Presidents of Major American Jewish Organizations, are convening leaders from 100 Jewish communities, and over 40 Jewish organizations, representing 7.5 million Jewish Americans, in Washington this week to call on Congress and the Trump Administration to implement their six-point policy plan. The plan includes: increasing the Nonprofit Security Grant Program to \$1 billion annually, providing federal support for security personnel costs that Jewish communities are forced to bear, expanding FBI resources to fight the domestic and global war on terror, and providing federal assistance to local law enforcement to protect Jewish institutions. Find out more about their six-point security agenda at <http://jfedsofna.org/sixpointsecurity>

HAPPY BIRTHDAY

Former Sen. **Chuck Robb** ... NYT's **Mike Bender** ... OpenAI's **Elizabeth Wilner** ... NBC's **Scott Bland** ... Brunswick Group's **Dave Brown** ... **Rachel Gantz** ... **Mark Kadesh** ... **Emily McBride** of Sen. Tommy Tuberville's office ... **Mark Ritacco** ... **Matthew Fery** ... **Julie Norton** ... Merit's **Trevor Cornwell** ... former Hawaii Gov. **Neil Abercrombie** ... **Ross Baker**

TRIVIA

WEDNESDAY'S ANSWER: Tiernan Sittenfeld correctly answered that the last time two sitting U.S. senators were on the same ticket running for

president and vice president was **Barack Obama** and **Joe Biden** for the Democratic ticket in 2008.

TODAY'S QUESTION, from Tiernan: Which president issued the Roadless Area Conservation Rule, and in what year? What kind of areas did it protect?

The first person to correctly guess gets a mention in the next edition of Inside Congress. Send your answers to insidecongress@politico.com.

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