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Welcome to *Washington Update*, the weekly e-newsletter on the latest health care happenings in the nation's capital that affect APG's members.

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Dueling GOP Budget Blueprints Advance In Congress Amid Potential Of Major Health Spending Cuts

House and Senate Republicans this week adopted sharply different fiscal 2025 budget blueprints to advance the Trump administration's key legislative agenda. But as lawmakers juggle competing priorities – most notably enacting major tax cuts without adding explosively to the federal budget deficits – Medicaid and other health care spending remain in the crosshairs, at least for now.

The House of Representatives' [outline](#) for a single budget reconciliation bill calls for \$4.5 trillion in tax cuts and \$1.5 trillion in spending cuts over the next ten years, along with increased spending for border security and defense. The net effect would be to increase federal deficits by [\\$4 trillion](#) over the decade, which the new budget blueprint would specifically allow.

Intra-caucus Disputes: Although the proposed bill does not directly call for Medicaid cuts, it instructs the House Energy and Commerce (E&C) committee to find \$880 billion in savings -- the bulk of which would have to come from Medicaid since President Trump has ruled out cuts in Medicare and Social Security. Yet disagreements over making massive Medicaid cuts continue to split the GOP caucus.

E&C Chair Brett Guthrie (R-KY) [told Politico](#) this week that there was far from universal support among more moderate caucus members for the sorts of measures, such as [per capita caps](#) on Medicaid spending, that would produce these large savings. But without them, any package is likely to be opposed by the conservative House Freedom Caucus, which has made deficit reduction in tandem with tax cuts a priority -- probably dooming passage of the current bill in the House.

Senate Republicans, meanwhile, are crafting a wholly different [budget blueprint](#) calling for new spending on border security, defense, and energy, with the intention of incorporating large tax cuts into a second bill. The Senate Budget Committee advanced that first phase this week in a party-line vote. Just where Senate Republicans end up on Medicaid cuts will clearly await drafting of the second bill. APG will continue to monitor the action.



With Kennedy Confirmed As Secretary, New Health And Human Services Agenda Unfolds

After weeks of controversy over his longstanding anti-vaccine views and other positions, Robert F. Kennedy Jr. was confirmed as the 26th Secretary of the Department of Health and Human Services (HHS) this week with just one Republican senator, former Majority Leader Mitch McConnell (R-KY), casting a no vote.

In a statement, McConnell blasted the nominee's "record of trafficking in dangerous conspiracy theories and eroding trust in public health institutions." The Trump White House then promptly teed up Job One for the new secretary, issuing an [executive order](#) establishing the "President's Make America Healthy Again Commission" whose initial focus will be "the childhood chronic disease crisis," another of Kennedy's longstanding preoccupations.

The HHS-led interagency commission is to include four other cabinet secretaries and multiple government officials, including the Director of the National Institutes of Health and the Food and Drug Administration commissioner. The panel is instructed to submit within 180 days a "Make Our Children Healthy Again Strategy" whose description clearly leaves the door open to explore many of Kennedy's pet concerns: "ending Federal practices that exacerbate the [child] health crisis;" the

“staggering increase in autism;” “overmedication” for ADHD; and other potential causes of childhood disease such as “absorption of toxic material, medical treatments, [and] electromagnetic radiation.”



Concerns Mount As Trump Budget Axe Swings Widely Across Federal Health Agencies

Hard on the heels of sharp federal funding cuts to support biomedical research, the Trump administration announced major federal workforce cuts this week that critics fear could seriously impair functions of federal health agencies.

In a pair of moves, the White House first issued an [executive order](#) calling for major cuts across the federal workforce. Although the order does not specifically name HHS, the *Wall Street Journal* recently reported that the administration has considered cuts as high as 50 percent of FDA's staff. On Thursday, the federal Office of Personnel Management also [instructed](#) agencies to begin firing as many as 200,000 federal workers still considered to be in their “probationary” period of a year or more after being hired. Today, probationary workers at the Centers for Disease Control and Prevention -- 10 percent of the agency's workforce -- were reported to have been [terminated](#).

These numbers are on top of the estimated 75,000 workers -- 3 percent of the federal workforce -- who accepted a controversial buyout before it was paused by a Massachusetts federal district court judge. Although the judge [lifted](#) the order last week, the administration then announced that the buyout program was over. It is unclear at this point what the impact of additional federal worker terminations will be on other key HHS agencies such as the Centers for Medicare & Medicaid Services.

NIH Upheaval: Separately, the biomedical science field and many academic health centers -- including multiple organizations with allied physician group members of APG -- are still reeling from [cuts](#) announced late last week in federal indirect research support from the National Institutes of Health. Although now temporarily on [hold](#) due to another federal district judge's ruling in a lawsuit brought by Democratic state attorneys general, the cuts, if enacted, could prompt layoffs and cause much research to grind to a halt at many institutions across the country.

Cleaning house, the administration also forced into retirement longstanding NIH leader and former acting director [Lawrence \(Larry\) Tabak](#), DDS, PhD. No date has been set yet for hearings for the

administration's nominee to lead the NIH, Stanford professor Jay Bhattacharya, MD, PhD.



In Case You Missed It

- APG's [comment letter](#) to CMS on the agency's 2026 Medicare Advantage and Medicare Part D Advance Notice asked for a one-year pause on implementation of the V28 risk adjustment model pending evaluation of the model's effects, among other requests.
- The [House Delivering on Government Efficiency \(DOGE\) subcommittee](#) vowed to work hand-in-hand with Musk's DOGE taskforce to root out government waste at an initial hearing, but committee members spent much of the time [exchanging jabs](#) about Musk's governmental power grab.
- [Gustav Chiarello](#), a former FTC attorney who probed health industry mergers, and [Gary Andres](#), a former House committee staffer and member of George H.W. Bush's administration, have been nominated to serve as unspecified assistant secretaries at HHS. West Virginia state senator [Michael Stuart](#) has been nominated as HHS general counsel. All three nominations will require senate confirmation.
- A new health [journal](#), founded by NIH director nominee Bhattacharya and FDA commissioner nominee Marty Makary, MD, among other frequent iconoclasts, promises to "[open scientific discourse](#)" and revamp peer review.



APG Announcements And Offerings

- **DATE CHANGE:** APG's upcoming Emerging Trends in Health Care Webinar with guest [Seema Verma](#), Executive Vice President and General Manager of Oracle Health and Life Sciences, and former CMS Administrator was previously scheduled for Wednesday, February 12, and will now be held on **Friday, March 21, 4:00 pm – 4:45 pm ET**. You can still register for the webinar [here](#) - and if you had previously registered, the link is the same, please just make note of the new date and time.
- The next APG Hosted Webinar, "**Guardant Shield – The Revolutionary Liquid Biopsy for Colorectal Cancer Screening,**" will take place on **Monday, March 24, 3:00 pm -**

4:00 pm ET. The webinar will be presented by Guardant. Register [here](#).

- Registration is now open for the [APG Spring Conference 2025](#) — **Kickstarting Accountable Care: Innovations for an Urgent Future, May 14-16, in San Diego, CA.** APG Members who register by February 14 save \$300 with the Super Early Bird rate. APG Partners and non-members save up to \$200 with regular Early Bird registration that ends March 14. Groups of 5 or more that register together receive an additional \$50 savings per registrant. **New this year: bundle your savings!** All APG Spring Conference 2025 registrants will have an opportunity to register for the APG Fall Conference 2025 at the lowest price of the year, with discounts up to \$400. Simply follow the link on your Spring Conference confirmation e-mail to register for Fall now!
- Sponsorship is open for the **APG Spring Conference 2025**, May 14-16, in San Diego. Visit our [Spring Conference 2025 sponsor website](#) and reserve your space today!
- Want to get more involved in APG's Federal advocacy efforts? [Join APG Advocates today](#).

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