



March 14, 2025

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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## **Likely Adoption Of Final Government Spending Plan For Balance Of Fiscal Year Yields Mixed Bag For Health Care Measures**

Following the Senate Democratic leadership's [decision](#) to support the measure, the [House-passed continuing resolution \(CR\)](#) is likely to become law later today once a Senate vote to endorse it sends it to President Donald Trump for his signature. The measure will thus avert a partial government shutdown – and, in the view of many Democrats, forestall a chance for the Trump administration and DOGE to wreak more havoc on government agencies while the lights were turned off.

Along with the rest of the package, several key health care measures will gain a lease on life at least through the end of the fiscal year on

September 30: Medicare telehealth payment flexibilities, the Acute Hospital Care at Home waiver and \$2.4 billion in funding for community health centers (CHCs). (The extensions mean that APG's members and other health care providers can continue to bill Medicare for telehealth beyond the end of the month.) But a mandatory 2 percent budget [“sequestration”](#) cut to all Medicare provider payments will remain intact through the fiscal year, along with the 2025 Medicare Physician Fee Schedule cut of 2.83 percent.

**Prospects for fee cut fix:** Vigorous advocacy by APG and other physician groups, along with broad bipartisan support, failed to secure a rollback of the fee cut in the House package. Rep. Greg Murphy (R-NC), a physician, [wrote on X](#) this week that House GOP leadership promised that a rollback will be included in reconciliation legislation that Congress will turn to next. But given the looming search for hundreds of billions of dollars in spending cuts to finance trillions of dollars in tax cuts, it's far from certain that a measure to hike physician fees would make it into a final reconciliation package.

APG will nonetheless maintain its advocacy on the fee cut rollback and restoration of the Advanced Alternative Payment Model bonuses that ended with the 2024 performance year.



## **Nomination Of Mehmet Oz, MD To Lead Centers For Medicare & Medicaid Services Advances In Senate Panel Hearing**

While Democrats pressed the nominee on potential large Medicaid cuts, Republicans asked about such issues as potential Medicare Advantage overpayments as Centers for Medicare & Medicaid Services (CMS) Administrator nominee Mehmet Oz, MD, appeared before the Senate Finance Committee today. Oz [told lawmakers](#) that everyone should have health insurance “in some form” but that it was vital to root out “fraud and waste.” He added that President Trump “wants to love and cherish Medicare and Medicaid,” but also said, “We have a generational opportunity to fix our health care system and help people stay healthy for longer.”

Committee chairman Sen. Mike Crapo (R-ID) signaled that Oz was unlikely to face any confirmation obstacles stemming from [substantial investments](#) in health care enterprises, many of which he has [vowed to divest](#) if confirmed. “You have met the same due diligence standard that has applied to nominees in every previous administration,” Crapo said in his opening statement at the hearing. Oz is expected to be confirmed by the full Senate in late March.



## **Search For New Nominee To Lead The CDC Begins Amid Possible Signs Of Growing Resistance To Vaccine Skepticism**

The Trump administration pulled its nomination of a former Republican congressman and Army physician to lead the Centers for Disease Control and Prevention (CDC) this week as the nominee faced a wall of bipartisan opposition in the Senate over his anti-vaccine views. An unnamed official involved in the nomination told the [Washington Post](#) that former Florida Rep. Dave Weldon had been a “dead man walking” as he continued to voice his [ongoing and false views](#) that vaccines cause autism.

The decision to pull the nomination came as a measles outbreak has now spread to three states in the southwest, with two deaths and more than 250 cases confirmed. In the meantime, Health and Human Services Secretary Robert F. Kennedy Jr. has sent mixed messages on measles vaccination – sometimes appearing to recommend it while also calling it a “[personal decision](#)” – even as the National Institutes of Health (NIH) [terminated](#) more than 40 grants focused on understanding the reasons for vaccine hesitancy and low vaccine uptake.



## **New Priorities Begin To Take Shape At CMS, Moving Away From Equity And Towards Chronic Disease Prevention And More Cost-Cutting**

The CMS Innovation Center (CMMI) [said](#) this week that it would terminate by year end four of its more than 50 payment models as it described a shift in focus toward emphasizing disease prevention and empowering people to “make better decisions.” But it also signaled a renewed determination to focus on models that accrued savings for Medicare, highlighting that ending the four models would save Medicare \$750 million.

Two of the models that will now cease before their original end date focused on primary care: the [Primary Care First](#) model, in which some APG members participate, and [Making Care Primary](#). The most recent [evaluation](#) of Primary Care First reported that Medicare expenditures related to model participants had actually grown by 1.5 percent over two years relative to a comparison group, with “no measurable reduction in acute hospitalizations.” CMMI also said it would end [ESRD Treatment Choices](#) model -- designed to encourage

greater use of home dialysis and kidney transplants for Medicare beneficiaries with end stage renal disease -- through rulemaking, while preserving the array of other [kidney care models](#) in which multiple APG members participate. Also now scheduled to end a year early is the [Maryland Total Cost of Care](#) model, which will be transitioned into the multistate [AHEAD](#) model, as previously determined.

**More paring back in store?** CMMI also announced that it would not implement two models developed in the latter stages of the Biden administration to address high drug costs: the [Medicare \\$2 Drug List](#) and the [Accelerating Clinical Evidence](#) models. The center said it is also considering reducing the size of the [Integrated Care for Kids](#) model. The moves come as CMMI is already grappling with staffing cuts that appear likely to grow larger as federal agencies [respond](#) to the latest Trump administration request that they submit plans for more large-scale layoffs.



## In Case You Missed It

- Senate confirmations are expected soon for Marty Makary, MD, the nominee to lead the Food and Drug Administration, and Jay Bhattacharya, MD, PhD, to lead the NIH after the Senate Health, Education, Labor and Pensions (HELP) committee [advanced](#) these nominations this week.
- An estimated **750,000 to 2 million ACA enrollees could lose their health coverage** if all provisions of a [new CMS proposed rule](#) are implemented. The agency proposes to restrict ACA coverage and benefits by ending a monthly special enrollment opportunity (SEP) for low-income individuals, shortening the annual open enrollment period by a month, revoking access to coverage and tax credits for [Deferred Action for Childhood Arrivals \(DACA\)](#) recipients, requiring enrollees to pay back any overdue premiums before a new plan could begin, and removing gender-affirming care from the essential health benefits of certain plans. APG will convene a focus group to draft a comment letter back to the agency probably in April.
- A focus on "health equity" and addressing health-related social needs appears doomed to the dustbin at CMS, as the agency recently [removed website language](#) affirming health equity as a key element of Medicare Advantage and [revoked guidance](#) allowing the use of 1115 waivers to address health-related social needs (HRSN) in Medicaid. APG will follow these moves and determine the implications for its member organizations.

- **Providers would lose billions of dollars in revenue** through reductions in health care spending and increases in uncompensated care if proposed federal funding cuts to Medicaid were to take place, according to a new [analysis](#) by the Urban Institute.
- States can and should improve their processes for **determining Medicaid eligibility for home and community-based services** for people needing long-term services and supports, the Medicaid and CHIP Payment and Access Commission (MACPAC) recommended in its [2025 Report to Congress](#).
- **Tens of thousands of laid-off probationary federal workers must be rehired** at the Department of Veteran's Affairs and five other federal agencies, two federal district court judges ruled this week. The judges said the workers' dismissal on "performance" grounds was apparently a ruse to avoid following the law.
- Secretary Kennedy met this week with [food industry leaders](#)— and [quietly](#), with a group of mothers and interagency officials — in pursuit of a 90-day commission on **addressing prevention of chronic disease in children**.



## APG Announcements And Offerings

- APG will host an **Emerging Trends in Health Care Webinar** on **Friday, March 21, 4:00 pm – 4:45 pm ET** with guest [Seema Verma](#), Executive Vice President and General Manager of Oracle Health and Life Sciences, and former CMS Administrator. Register for the webinar [here](#).
- 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](#).
- Another APG Hosted Webinar, "**Ready or Not, Here They Come! Delivering Value-Based and Patient-Centered Care for an Aging Population**," will take place on **Wednesday, April 23, 3:00 pm - 4:00 pm ET**. The webinar will be presented by Altura. 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 Partners and non-members save up to \$200 with regular Early Bird registration that ends TODAY. 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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