



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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Planned Downsizing And Reorganization At Department Of Health And Human Services Provokes Alarm Among Health Care Stakeholders

Health care and public health stakeholders are reacting with alarm to the Trump administration's sweeping [plans](#) announced this week to reorganize the Department of Health and Human Services (HHS) and shrink its staff by almost 25 percent. The planned changes raise multiple concerns about the various HHS agencies' abilities to carry out their missions – and for APG members, fears that the loss of expertise from staff departures could imperil effective policymaking around value-based care.

Under the announced plans, the department will be drastically restructured; 10,000 jobs will be cut, and another 10,000 staff departures will occur through early retirements and buyouts, reducing employment from 82,000 full-time employees to 62,000. The current 28 divisions will be consolidated into 15 and the ten regional offices around the nation will be cut to five.

Meeting RFK's goals: The department's new structure appears designed to enable HHS Secretary Robert F. Kennedy Jr. to pursue his favored health preoccupations under a newly created Administration for a Healthier America. As described in an HHS [news release](#), the reorganization would enable "the new HHS priority of ending America's epidemic of chronic illness by focusing on safe, wholesome food, clean water, and the elimination of environmental toxins." Thus, whereas enforcing clean water laws has by [statute](#) been the province of the Environmental Protection Agency, a new HHS focus on the topic could help to empower the health secretary to pursue his goal of banning fluoride from the nation's water supply.

Plans to further downsize the Centers for Disease Control and Prevention (CDC, based in Atlanta) and combine it with the Administration for Strategic Preparedness and Response (ASPR, based in Washington) have drawn especially sharp criticism. The move appeared to be based on little understanding on the agencies' important and different areas of focus. ASPR, for example, focuses on preventing, preparing for, and responding to the adverse health effects of all manner of public health emergencies and disasters, including natural disasters and bioterrorism, whereas CDC's focus is control and prevention of disease, injury, and disability in the U.S. and globally.

"Public health malpractice:" While key congressional Republicans [praised](#) the reorganization as eliminating "redundancies and — in some cases — conflicting objectives," Democrats' critiques were biting. Hawaii's Democratic governor Josh Green, a physician, [told CNN](#) that these and other moves — including the [separate HHS announcement](#) this week that more than \$12 billion in federal assistance to state and local health departments would be cut -- constituted "public health malpractice" and predicted that they would lead to "loss of life" throughout the nation.

Kennedy has assured lawmakers and others that core agencies such as the Food and Drug Administration will be able to maintain their missions even with nearly a fifth of their workforce eliminated. But special considerations arise for APG in the departures of multiple staff members from the Centers for Medicare & Medicaid Services and the CMS Innovation Center, as it is unclear whether these agencies retain the staff and institutional knowledge to steward Medicare Advantage, the Medicare Shared Savings Programs, and other value-based care programs effectively. APG will monitor the unfolding plans and keep members apprised.



Amid Congressional Moves To Continue Crafting Tax-Cut Package, Signs Of Shifting Implications For Health Care

Congress appears determined for now to stick with an unwieldy two-track strategy for shaping drastically different tax-cut packages in the House versus the Senate, according to [news reports](#). The differing tracks could bode very different results in the projected health care spending cuts needed to offset the costs of tax cuts and dampen the rise in federal budget deficits.

According to [reports](#), Senate Republican leaders want to keep spending cuts in any reconciliation package relatively low to avoid loss of support within their own ranks. Although doing so could imperil the size of tax cuts, projected Medicaid cuts as high as \$880 billion over ten years that could emerge from the evolving House plan have already run into substantial roadblocks in the Senate. “I’m not going to vote for something that would lead to Medicaid cuts,” Sen. Josh Hawley (R-Mo.) told reporters, adding that he would not vote for a budget resolution that includes the \$880 billion target “unless there’s some guarantee we’re not going to cut benefits.” Nearly 18 percent of Missouri’s population is enrolled in Medicaid, according to [KFF](#).

Dicey plans? Although House and Senate leaders hope to craft a [unified budget resolution](#) by the week of April 7, discussions over a final legislative package now appear likely to stretch for weeks, if not months. Potential alternatives to Medicaid spending cuts, such as any in Medicare and Medicare Advantage, would also be highly controversial and likely to spark a similar outcry. And plans to enact tax cut legislation that could add massively to federal budget deficits received another [implicit warning](#) this week from the nonpartisan Congressional Budget Office, which projected “rising interest costs and sustained primary [federal budget] deficits” even absent major tax cuts, with ballooning federal debt held by the public expected to rise to 156 percent of gross domestic product by 2055.

Meanwhile, concerns about maintaining the narrow House Republican majority needed to enact any reconciliation legislation led the Trump administration to [pull the nomination](#) of Rep. Elise Stefanik (R-NY) to be United Nations ambassador this week. APG will continue to follow developments and actively lobby on behalf of members against deleterious health spending cuts.



In Case You Missed It

- **Following the Senate confirmation of Jay Bhattacharya, MD, PhD, as director of the National Institutes of Health,** NIH [closed an office focused on long COVID](#), [removed selected outside scientists](#) advising the agency on some of its research, and directed the compilation of a list of grants and contracts related to “fighting misinformation or disinformation.” Contracting officers were directed to search for keywords in documents such as “media literacy, social media, social distancing, and lockdown,” [STAT reported](#).
- **The nearly ubiquitous state practice of financing Medicaid programs partly through taxes on health care and long-term-care providers is decried as “money laundering”** in a new Paragon Health Institute [report](#). Curbing the use of provider taxes has been discussed as one strategy for cutting federal Medicaid spending in ongoing reconciliation discussions in Congress. According to KFF, [all states except Alaska](#) employ such provider taxes; 38 of them, including most Republican-led states, have three or more.
- Amid current Trump administration efforts to ban references to diversity, equity, and inclusion, threats to research on health equity, and the [elimination](#) of the phrase “health disparities” from government websites, **a new study shows that excess mortality in Black infants and children has persisted since 1950** and widened compared to Whites, particularly in the 2010s and beyond.



APG Announcements And Offerings

- APG will host **a focus group for its member organizations on the [Proposed Rule for the ACA Marketplace](#)** on Wednesday, April 2, 3:00pm – 4:00pm ET to help inform APG’s recommendations to CMS in its comment letter. Members wishing to register for the focus group should contact Jenifer Callahan at jcallahan@apg.org.
- The next 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**. 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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