



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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Congress Continues Crafting Major Tax Cut And Spending Plan To Incorporate Large Medicaid Cuts – Unless It Doesn't

The Congressional Cuisinart mixing together a mammoth helping of tax and spending cuts whirled forward this week, as Republicans in the House of Representatives shifted course and [adopted](#) a Senate plan that was [passed](#) just four days earlier. But with the many competing cooks involved in the process, considerable uncertainty remains about the exact ingredients of any final [reconciliation](#) package – particularly the dimensions of any cuts in Medicaid or other health programs.

The newly adopted budget resolution notwithstanding, vast differences remain between and within both houses of Congress over how much to cut spending to help offset revenue losses from tax cuts, and how much to simply add to federal budget deficits. Although the original Senate plan called for a paltry \$4 billion in spending cuts over ten years, an announced [agreement](#) between the two houses calls for \$1.5 trillion in cuts. The House Energy and Commerce committee will now be instructed to identify \$880 billion of those savings over ten years from the programs under its jurisdiction, which are likely to be focused mainly on Medicaid. But multiple Senate and House Republicans have already signaled their opposition to deep Medicaid cuts, even as other House members insist on them. Lawmakers will “have to sort it out,” Senate Majority Leader John Thune [acknowledged](#) in a news conference.

Budget buster? Also at issue is adding trillions of dollars to federal budget deficits over a decade, even net of whatever spending cuts Congress ultimately adopts – a step fiercely [resisted](#) by House fiscal conservatives but effectively baked into the Senate’s earlier plan. Meanwhile, House Committees have been assigned an ambitious timeline to submit their plans by May 9 for a full House vote by Memorial Day, after which a final measure would go to the Senate. APG will track these efforts closely to determine what health spending cuts emerge and maintain its advocacy in defense of Medicaid.



New Trump Administration Efforts To Repeal Up To Thousands Of Federal Regulations Could Target Health Agencies

A new “[presidential memorandum](#)” issued this week directs federal departments and agencies to identify “categories of unlawful and potentially unlawful regulations within 60 days and begin plans to repeal them” – and giving them wide berth to do so without affording the public any chance to comment or push back before any measures are repealed. For departments such as Health and Human Services (HHS), the action threatens another round of upheaval that may compound the effects of huge reductions in the federal labor force in recent weeks.

The memo directs agencies to prioritize evaluation of the “lawfulness” of regulations in light of ten recent Supreme Court decisions, including last year’s *Loper Bright Enterprises v. Raimondo* decision ([Washington Update - July 12, 2024](#)). As reported in [Politico](#), the White House directive “appears to claim that the high court’s 2024 ruling [in *Loper Bright*] applies retroactively, although the court’s conservative justices held explicitly that the decision is forward-looking.” The presidential memo also effectively allows agencies to bypass standard notice-and-

comment rulemaking if they find that adhering to it would be "impracticable, unnecessary, or contrary to the public interest" under a ["good cause" provision](#) of federal regulatory law.

Broad Scope: Given the implicit subjectivity that could be brought to bear in such decision making, a host of existing federal regulation could be vulnerable – imperiling thousands of regulations at the Food and Drug Administration (FDA), the Centers for Medicare & Medicaid Services (CMS), and elsewhere. APG will seek more information on threatened regulations that could affect its members and report more in coming weeks.



Scheduled Government Payment Hike For Medicare Advantage Plans in 2026 Bodes Relatively Well For Physician Groups

Physicians participating in Medicare Advantage (MA) plans are likely to benefit from a more than 5 percent payment hike to MA plans announced in the Centers for Medicare and Medicaid Services' (CMS) [final 2026 Medicare Advantage Rate Notice](#), APG [said](#) this week. APG is continuing its analysis of the rate notice and will sponsor a briefing on April 30, see registration information below.

The rate notice came on the heels of CMS's separate [technical rule](#) on MA and Part D released late last week, which jettisoned an earlier Biden administration proposal to cover anti-obesity medications (AOMs) under Part D, a step APG had [supported](#). CMS said it could still allow Medicare and Medicaid to cover AOMs in a future rule. APG will continue to advocate for such coverage, especially in light of the fact that three approved diabetes medications frequently used to treat obesity – Ozempic, Rybelsus and Wegovy – will be [included](#) in the next round of Medicare drug price negotiations under the Inflation Reduction Act.



As Some Tariff Threats Recede, Others May Loom Large For Health Care, Including On Pharmaceuticals

Grave uncertainties over the Trump administration's ultimate posture on trade tariffs are spilling over into health care, as various reports suggest that President Trump is – or isn't – still contemplating steep tariffs on pharmaceuticals. The president [announced](#) at a Tuesday dinner that such tariffs were still in the offing, but that was a day before his [reversal](#) on broad "reciprocal" and other tariffs for many countries. Trump has previously suggested a tariff on pharmaceutical imports of

25 percent or higher, but pharmaceuticals had been exempted from the 10 percent global tariff announced earlier this month.

Pharmaceutical companies and other health sector entities continue lobbying hard against tariffs, citing at least [one analysis](#) that suggests drug prices could rise by an average of 15 percent under the 25 percent pharmaceutical tariff scenario. Meanwhile, the maximum rate on Chinese tariffs, currently 145 percent, poses the threat of sharp price increases in critical medical supplies such as needles, syringes, and catheters, given that the United States still [imports more than half of these](#) from China. House Democrats [wrote key Trump administration officials](#) this week that these and other tariff-induced disruptions could “force providers to make impossible rationing decisions, and potentially even result in death as treatments are delayed, or more effective medicines and products are swapped for less effective alternatives.”



In Case You Missed It

- **Medicare beneficiaries are likely to spend less on their health care premiums and out-of-pocket costs if they enroll in a Medicare Advantage (MA) plan** versus signing up for traditional Medicare plus purchasing a Medicare supplemental (Medigap) plan and a Part D prescription drug plan, a [new study](#) conducted by the Berkeley Research Group and commissioned by APG shows.
- As the official count of measles cases in Texas [topped 500](#) this week and a second child died, one prominent Johns Hopkins epidemiologist [warned](#) that the **actual case count is likely to be at least four times higher**.
- As concerns grow about the nation's preparedness to combat infectious disease amid cutbacks at HHS and [mixed messages about vaccines](#) still being voiced by HHS Secretary Robert F. Kennedy, Jr., **the American Public Health Association called on Kennedy this week to resign** over “implicit and explicit bias and complete disregard for science.” Meanwhile, Secretary Kennedy [told](#) a Trump cabinet meeting this week that a research effort underway at HHS would find the cause of the nation's autism “epidemic” by September, even as House Democrats launched a [probe](#) of the anti-vaccine proponent running the HHS study.
- **Cuts of billions of dollars in public health care funding to states are temporarily on hold** after being [blocked](#) by a federal judge in Rhode Island.
- The Office of Management and Budget (OMB) illegally removed public database files that show how HHS and other agencies are

spending funds, **contends a new [lawsuit filed](#)** by a government ethics watchdog group.

- House Republicans [re-launched](#) the Budget Committee Health Care Task Force to focus on “budgetary effects of chronic disease, and opportunities to Make America Healthy Again,” according to Budget committee chairman Jodey Arrington (R-TX).



APG Announcements And Offerings

- The next APG Hosted Webinar, "**Enhancing Dementia Care: Practical, Affordable Solutions**," will take place on **Thursday, April 17, 2:30 pm - 3:00 pm ET**. The webinar will be presented by UCLA Health. 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](#).
- APG will host a **Learning Session re: 2026 Medicare Advantage Rate Notice and Final Rule** on **Wednesday, April 30, 12:00 pm - 1:00 pm ET**. Register [here](#).
- **APG members focused on dementia care** - although not within the GUIDE model - are invited to participate in a partnership between the National Quality Forum and the CMS Innovation Center to create a new measure of the burden on caregivers of persons with dementia. Please review the [details](#) about this opportunity and reach out to caregiverburden@qualityforum.org if interested.
- 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!
- There is still time to become a sponsor of 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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