



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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In The Elections' Aftermath, The Evolving New Federal Order May Put Numerous Health Care Issues In Play

This week's election of Donald J. Trump as the 47th U.S. President, the Senate's flip to Republican control and the possibility that the House will remain in Republican hands set the wheels in motion on a range of influential leadership changes, even as the guessing game ramps up over what major health care policy action will result.

Congressional Committees: In the Senate, lawmakers Mike Crapo (R-ID) is poised to lead the Finance Committee with its jurisdiction over a [range](#) of health care programs, while Bill Cassidy (R-LA) will lead the Health, Education, Labor, and Pensions (HELP) committee, whose [jurisdiction](#) is the federal health agencies.

If the House remains under Republican control, Rep. Jason Smith (R-MO) will remain chairman of the Ways & Means committee, which oversees the [revenue-related aspects](#) of Medicare and – through its [health subcommittee](#) – federal programs providing payments (from any source) for health care, health delivery systems,

or health research. Rep. Brett Guthrie (R-KY) will probably move from Chairman of Health Subcommittee of Energy and Commerce to the chairmanship of the Energy and Commerce committee, which has [jurisdiction](#) over the health sector broadly – from Medicare, Medicaid, and the Affordable Care Act (ACA) to biomedical research, drug safety, and much more.

In the Senate, Ron Wyden (D-OR) will remain ranking member of the Finance Committee and Bernie Sanders (I-VT) of the HELP committee. House Democrats do not plan to organize their committee assignments — picking either committee chairs or ranking members — until sometime in December, once control of the House becomes clear.

Lame-Duck Session Prospects: Following bicameral leadership elections next week, Congress may turn its attention to a potential package to enact fiscal 2025 appropriations and extend various health care provisions, such as telehealth flexibilities. But both the timing and content remain highly uncertain, including the fate of other big-ticket items, such as rolling back at least a portion of the scheduled 2.93 percent cut in Medicare physician fees for 2025 that the Centers for Medicare & Medicaid Services [finalized](#) late last week.

The current continuing resolution (CR) that maintains government funding at fiscal 2024 levels will expire on December 20, and would ordinarily prompt action to finalize 2025 spending by then. But the CR may now be extended into March to allow the next Republican-dominated Congress to shape both the successor budget package and a Trump-led [tax cut plan](#) likely to include extending many [expiring provisions](#) of the 2017 Tax Cuts and Jobs Act.

Potential Administration Appointees: Past experience suggests that Trump administration policies are highly “personnel dependent,” with their shape and scope often riding on who holds the reins within the White House staff and at cabinet and other executive branch agencies. As the transition machinery grinds along, credible names should begin to surface about personnel who will shape health policy in both domains.

Potential policies: Even more conjectural for now is what those policies will be. The unexpectedly broad base of support that propelled Trump back into power may prompt what once appeared to be rock-solid Republican proposals to be viewed in a new light.

For example, President-elect Trump and others in the GOP have sent ambiguous signals about remaking the Affordable Care Act. But one potential move – allowing [enhanced ACA premium tax credits](#) to expire at the end of next year – would hike enrollees’ premiums substantially and threaten the health coverage of an

estimated [3.8 million people](#), including Blacks, Latinos, and [many in rural areas](#) who helped vote Trump back into office.

Meanwhile, various [Republican proposals](#) to restructure Medicaid – through imposing [mandatory work requirements](#), levying per-capita caps, eliminating provider taxes as a means of drawing down federal matching funds, converting the federal share of Medicaid into [block grants](#), or [phasing out the 90 percent federal matching rate](#) for states that expanded Medicaid under the ACA – would not only drive up the number of uninsured, but also shift massive costs to states that voted Republican in the elections.

Washington Update will follow the coming action and report as events unfold on the implications for APG member organizations.



As Practice Cost Inflation Continues, MedPAC May Consider Recommending An Even Larger Adjustment to Medicare Physician Fees

The Medicare Payment Advisory Commission (MedPAC) seems likely to recommend again that Congress update Medicare physician payment by at least a considerable portion of increased practice cost inflation, based on staff analysis suggesting that the gap would otherwise continue to widen between annual physician fee updates and rising input prices into medical practices.

Diverging trend: At the commission's November 7-8 meeting, MedPAC staff presented an [analysis](#) of both the past and probable future difference between the annual Medicare Physician Fee Schedule update and the [Medicare Economic Index](#), a measure that captures inflation in physician practice costs. The analysis noted that, up until the COVID-19 pandemic, the MEI outpaced the annual fee schedule update by 1 percentage point, but the gap has widened substantially since then. For clinicians eligible for the separate [Advanced Alternative Payment Models bonus](#), the gap is now projected at 1.5 percentage point annually for 2025-34; for those not eligible for the AAPM bonus, it is projected to be 2 percentage points. The larger gap "could negatively affect beneficiary access in the future," the staff analysis said.

MedPAC will revisit the topic of the gap next spring to discuss alternatives to address the impact on physician fees. Although it has recommended updating fees by half the rate of the MEI increase in the past, it may now up the ante – such as recommending a single MPFS update of MEI minus 1 percentage point, regardless of clinicians' participation in an AAPM. If that recommendation were followed, the fee schedule would rise 2.5 percent in 2025 – 1

percentage point less than the projected 3.5 percent increase in the MEI – rather than being cut 2.83 percent, as the final rule now mandates. MedPAC has historically been reluctant to recommend a full update equivalent to the MEI out of concerns that physicians can offset fee constraints by increasing the volume of services that they provide.

AAPM bonuses questioned: In a separate [discussion](#), MedPAC Commissioners mostly signaled support for recommending an extension of the soon-to-expire AAPM bonus payments amid concerns about the payments' effectiveness. They noted that not all AAPMs have proven successful at achieving savings and improving quality. In addition, they reviewed data that indicate that the AAPM bonus payment per physician is relatively small and may not provide sufficient incentive for participation. MedPAC plans to revisit this topic in the spring to review more detailed information.



In Case You Missed It

- Elevance Health has now [followed other Medicare Advantage Organizations into a Texas federal court](#), filing suit against CMS over its 2025 Star Ratings.
- New resources explaining **the national framework for health information sharing known as TEFCA** have been released by the Assistant Secretary for Technology Policy at the Department of Health and Human Services, as follows:
 - TEFCA Overview video [<https://youtu.be/n1ZC2ngaWOM>]
 - Benefits of TEFCA video [<https://youtu.be/uaXj0ILfBCA>]
 - Information sheets at [HealthIT.gov/TEFCA](https://www.healthit.gov/TEFCA)



APG Announcements And Offerings

- [APG Fall Conference 2024 - Health Care Strong: Embracing Change and Thriving in Uncertain Times](#) will take place on November 11 – 13 in Washington, DC. Onsite registration is available beginning Monday, November 11, at 7:00 am at the Grand Hyatt Washington, 1000 H St., NW, Independence Foyer, Level 5B.
- APG will host an **Emerging Trends in Health Care Webinar** on **Thursday, November 14, 1:15 pm – 2:00 pm ET**, with guest [Patrick Conway, MD, CEO of Optum Rx](#), former Chief Medical Officer and Deputy Administrator for Center for

Medicare and Medicaid Innovation Center. Register for the webinar [here](#).

- APG will host a **Learning Session Webinar on Wednesday, November 20, 3:00-4:00 pm ET**, about the Centers for Medicare & Medicaid Services' (CMS) 2025 Medicare Physician Fee Schedule Final Rule. Register for the webinar [here](#).
- The next APG Hosted Webinar, "**Approaches to Systemic Obesity Care: Utilization of Pathways & Protocols to Create a Comprehensive Obesity-Care Program**," will take place on **Tuesday, December 3, 3:00 pm - 4:00 pm ET, featuring [Angela Fitch, MD](#)**. The webinar will be presented by Novo Nordisk. Register [here](#).
- Want to get more involved in APG's Federal advocacy efforts? [Join APG Advocates today](#).

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