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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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House of Representatives' Budget Blueprint Sets Up Clash With Senate And Foes Of Health Spending Cuts

With a narrow 217-215 vote this week, the House of Representatives' approval of a fiscal 2025 budget blueprint now sets up a battle on several fronts: with Senate Republicans over their alternative budget and tax cut plans; with foes of massive increases in federal budget deficits and the debt; and with forces opposed to planned \$880 billion in spending cuts over ten years focused primarily on Medicaid.

The final House plan squeaked by amid both pressure from President Donald J. Trump and quiet promises to moderate Republican dissidents that some of its harshest features would be softened. As passed, the measure provides for a target of \$4.5 trillion in tax cuts over ten years, understood to include [extension of 2017 tax cuts](#) and

elimination of taxes on Social Security benefits and tips; \$360 billion in new federal spending, including for border security; \$2 trillion in federal spending cuts, including \$880 billion to be identified now by the House Energy and Commerce Committee, which oversees Medicaid; and at least \$2.8 trillion in additions to budget deficits over the same period.

Competing factions: Key congressional opponents of the House measure include [Senate Republicans](#), who as reported previously in Washington Update ([February 21, 2025](#)) are pursuing a rival two-bill reconciliation strategy with reportedly even larger tax cuts. Conservative Republicans remain disgruntled at the huge planned deficit expansion, lack of even larger spending cuts, an outlined \$4 trillion increase in the federal debt limit, and budget gimmickry that would have tax cuts expire in less than ten years to lessen the impact within the standard ten-year budget window. However, they also won a commitment from House leaders that the planned \$4.5 trillion in tax cuts could increase or decrease depending on whether the targeted \$2 trillion in spending cuts is eventually achieved.

On an opposing front, challenges are mounting against the large projected Medicaid and other social spending cuts to finance a portion of the tax cuts. According to an [analysis](#) by the left-leaning Center for Budget and Policy Priorities, just the \$1.1 trillion cost alone of extending the 2017 tax cuts for households with incomes in the top 1 percent of taxpayers is roughly equal to proposed cuts to Medicaid and food assistance (the Supplemental Nutrition Assistance Program, or SNAP). House Democrats are [protesting](#) the prospect of huge Medicaid cuts that could result in effectively [shifting costs to the states](#), many of them led by Republicans, and lead to large cuts in benefits or the Medicaid rolls.

Fuzzy math: Republican moderates in swing districts concerned about the proposed spending cuts were won over by promises from the House GOP leadership that the \$880 billion in Medicaid cuts would eventually be drastically reduced, with any cuts focused on ferreting out [perhaps \\$50 billion](#) in Medicaid fraud and abuse. But the obvious budget math suggests that lowering the spending cuts would mean either lowering the tax cuts or widening the federal budget deficits, or both, none of which would appear to be acceptable to President Trump or conservative Republicans.

The bottom line: a long budgetary spectacle lies ahead. APG will follow the action and gear its advocacy toward addressing core health spending concerns.



Drive For Deep Staff Cuts At Federal Agencies Encounters Some Court And Cabinet Speed Bumps

The drama of deep staff cuts and full-out downsizing of federal agencies continued this week amid growing pushback from at least some cabinet officials and at least one federal district court judge, who [ruled](#) that the federal personnel agency that engineered earlier firings of federal probationary workers had overstepped its legal authority. It is unclear what the impact will be on the administration's now even more aggressive push to target elimination of many more positions and government activities, including those of [high-level federal workers](#) in the Senior Executive Service.

Earlier this week, multiple agencies told their workers [not to reply](#) to an email from presidential advisor Elon Musk demanding that all federal workers submit a brief account of their accomplishments in the prior week or be fired. [News reports](#) indicate that the federal workforce will now receive weekly emails of this type. A subsequent sweeping administration [directive](#) then called for elimination of non-essential positions as well as closures and consolidations of offices or even entire agencies, among other measures. The agencies were told to submit plans for a reduction in force by March 13, and to embark on "Phase 2," listing all employees that they plan to lay off as well as any proposed relocations by April 14. An [executive order](#) also called for a representative of the Department of Government Efficiency to be installed at each agency to oversee all spending.

Growing concerns: APG continues to monitor – and be concerned about – the effects on the health care sector broadly, and especially on the Centers for Medicare & Medicaid Services and its capacity to maintain federal rulemaking procedures of vital interest to APG members. The threatened elimination of many career federal employees in the Senior Executive Service with considerable expertise in managing programs is also troubling. Senate Democrats have [questioned](#) Secretary of Health and Human Services Robert F. Kennedy Jr. about HHS agency staff cuts, and APG is aware of Republican concerns as well. APG will raise these issues, and seek to gather intelligence, from agency officials and congressional sources in the coming days and weeks.



Major Health Benefits Achieved For Many APG Groups' Medicare Advantage Patients Extend To Traditional Medicare Patients As Well

Patients cared for by APG's physician groups operating under two-sided risk relationships with Medicare Advantage (MA) plans experience superior health outcomes even when they are not enrolled in MA but are in traditional Medicare, an APG-led [study](#) published this week in the *American Journal of Managed Care* shows. The superior health outcomes included decidedly less hospitalization and fewer readmissions, less use of emergency departments, and greater adherence to medications for conditions such as hypertension and high cholesterol.

The study, with key authors including longtime APG Board of Directors member [Ken Cohen, MD](#), Jennifer Podulka, APG's senior vice president for federal policy, and Susan Dentzer, APG's president and CEO, is the first to demonstrate that positive health outcomes made possible through these arrangements can "spill over" from patients enrolled in Medicare Advantage to other Medicare patients. All these patients can thus benefit from the advanced care practices adopted by these physician groups and made possible through MA.

An APG [infographic](#) explains the study and its findings further. In an APG news release, Dentzer said that the study results "should send a strong signal to policymakers about the importance of building on the positive elements of MA," since they show that "all Medicare patients can benefit from the types of advanced care practices that the resources channeled through MA allow."



In Case You Missed It

- Sen. Bill Cassidy (R-LA), chair of the Senate Health, Education, Labor, and Pensions committee, plans to **ask HHS Secretary Robert F. Kennedy Jr. about the rationale** for [cancelling](#) a scheduled meeting of the Food and Drug Administration's Vaccines and Related Biological Products Advisory Committee. The committee was set to deliberate over updates for this year's influenza vaccines, a delay of which could affect timely availability of the vaccines. The altered schedule for the flu vaccine meeting comes after [cancellation](#) of a different meeting for a key vaccine advisory committee to the Centers for Disease Control and Prevention.
- Sen. Charles Grassley (R-IA), chairman of the Judiciary Committee, [asked](#) **UnitedHealthcare to document its Medicare Advantage billing practices**, following a *Wall Street Journal* article that said that the Department of Justice [launched](#) an investigation into UnitedHealth Group. UnitedHealth Group said it was not aware of any investigation and that "the *Journal* has engaged in a year-long campaign to

defend a legacy system” and that “Any suggestion that our practices are fraudulent is outrageous and false.”

- The **nomination hearing for Jay Bhattacharya, MD, PhD**, President Trump’s nominee to lead NIH, will take place on Wednesday, March 5th at 10am ET. Hearings for other HHS sub-agency heads (CMS, CDC, FDA) have not been scheduled yet but are expected soon to follow. There is no official date as yet for the nomination hearing for CMS administrator-designee Mehmet Oz, MD.
- Members of the public, including clinicians and researchers, can provide **feedback on the next cycle of Medicare Drug Price Negotiations** in a series of [public engagement events](#) in April.



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](#).
- 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 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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