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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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With Mehmet Oz, MD, In Charge At Centers for Medicare & Medicaid Services, An Agenda For Change Now Likely To Take Shape

Mehmet Oz, MD, took the helm at the Centers for Medicare & Medicaid Services this week following a party-line confirmation vote of 53-45 by the U.S. Senate – and after [overcoming](#) one senator's threatened objections by saying that he would abide by the Trump administration pro-life policies and its opposition to gender-affirming care. For APG, Oz's leadership now affords an opportunity to help shape policies on Medicare and Medicare Advantage that APG advanced its newly released [report](#), "*Medicare Done Right: Prescription for Success.*"

In an earlier nomination [hearing](#), Oz, a longtime backer of Medicare Advantage (MA), had expressed multiple views about the program that

constitute a fruitful area of discussion for APG and other MA stakeholders. He expressed concerns about overpayments to MA plans that stem in part from the current system of risk adjustment, while also backing reforms that would more fully automate prior authorization and limit the number of interventions subject to such approvals.

Syncing with APG's Priorities: These concerns track with recommendations that APG made in its report, in which the organization called for a new system of risk adjustment more closely tied to documented costs of caring for older adults with varying stages of chronic disease. APG noted that the traditional Medicare program and its fee-for-service payment system does not allow capturing – or reimbursement for – many of these costs. APG also pointed to evidence from [recent studies](#) that physician groups participating in full risk relationships with MA plans achieve superior outcomes for patients – in large part because MA risk adjustment payments enable creation of advanced primary care infrastructure that best meets the multiple needs of older and chronically ill patients. An improved risk-adjustment system, APG argued, would more accurately reflect these inherent and necessary costs.

APG has begun meetings with CMS, White House officials, and congressional staff to discuss the recommendations in its report and looks forward to working with Administrator Oz as well. Meanwhile, an early signal of future CMS policies could come next week, when the expected final MA rate notice will set forth MA payment and other policies for 2026.



Fallout Continues Over Deep Staffing Cuts At Multiple Health Agencies

Large-scale firings across the Department of Health and Human Services (HHS) this week continued to spark concerns that critically important agencies may be unable to carry out their work – if they even survive at all. Amid the lack of a full accounting of the layoffs by HHS, Democratic senators [demanded](#) explanations, and the chair and ranking member of the Senate Health, Education, Labor, and Pensions committee – Sens. Bill Cassidy (R-LA) and Bernie Sanders (I-VT) – [asked](#) HHS Secretary Robert F. Kennedy, Jr., to testify next week about the firings and the agencies' sweeping reorganization.

As previously reported in *Washington Update*, an estimated one-quarter of HHS staff is being removed through a combination of early retirements and buyouts as well as firings. Among the concerning developments:

- A 20 percent staff reduction at the Food and Drug Administration (FDA), including the [forced resignation](#) of top vaccine expert Peter Marks, firings of scientists at the agency's product safety and food labs, and terminations of veterinary medicine specialists responding to the bird flu epidemic, among many others. The *New York Times* [reported](#) that other staff cuts “could leave virtually no one to review lengthy drug approval applications or to authorize new medications for cancer and rare diseases.”
- An 18 percent staff reduction at the Centers for Disease Control and Prevention (CDC), where “HHS cost-cutters have erased entire offices, including those dedicated to curbing HIV, tuberculosis, tobacco use, lead poisoning, substance abuse, birth defects and many other health threats,” as the *Washington Post* [wrote](#) in an editorial.
- [Elimination](#) of 40 percent of the staff at the Administration for Community Living, which administers and channels the funding for scores of [Older Americans Act programs](#) such as Meals on Wheels, and support for seniors' centers nationwide. The ACL has also recently helped to coordinate collaborations between social services organizations and health care providers and plans to address older adults' health-related social needs.
- Removal of 1300 personnel at the National Institutes of Health (NIH), including four institute directors and multiple scientists – some of whom were apparently mistakenly eliminated in what was described as a “coding error,” *Science* [reported](#). Some actions seemed aimed at inflicting maximum cruelty or even revenge: *Politico* [reported](#) that [Christine Grady](#), 74, a renowned bioethicist and the wife of former National Institute of Allergy and Infectious Disease director Anthony Fauci, was fired but offered the opportunity to relocate from her longstanding role at NIH's Clinical Center in Bethesda, MD, to a remote location of the Indian Health Service. Other of Fauci's prior associates at NIAID were also terminated.

APG will continue to monitor the impact of terminations at CMS and its Innovation Center, including those that could affect important activities such as [integration](#) of Medicare and Medicaid and other programs for the dual eligible population. *Inside Health Policy* also [reported](#) that CMS has been instructed to kill \$2.7 billion in contracts, a move that could also adversely affect some APG priorities.



Senate's Version Of Budget And Tax Cut Legislation Begins To Emerge Amid Controversy, Uncertainty About Health Program Impact

With the House of Representatives idled this week amid a [dispute](#) over remote congressional voting by new parents, the Senate advanced its own [blueprint](#) for a reconciliation package of tax cuts, spending increases in areas such as border security and other spending cuts to offset some revenue losses. Although the jerry-rigged measure would require dramatically less in spending cuts in areas such as health care than the House has proposed ([Washington Update - February 28, 2025](#)), it is also premised on what critics decry as a massive [budgetary gimmick](#) that assumes that extending large tax cuts for another decade – and possibly adding even more of them – will cost nothing, even as they add roughly \$6 trillion to federal budget deficits over a decade.

“Satisficing” exercise? The Senate’s plan appears tailored to satisfy at least two different constituencies – a President determined to pursue massive tax cuts, and lawmakers equally determined not to rock too many boats for constituents. According to at least one [report](#), Republican Sen. Josh Hawley of Missouri obtained a promise from President Trump that there would be no Medicaid cuts in any final package. According to [KFF](#), as of 2022, Missouri was one of 43 states and the District of Columbia in which 16 percent or more of the population is on Medicaid.

Prospects for combining the two chambers’ radically different versions of legislation are highly uncertain. APG will continue to follow the action, particularly to see if signs emerge that other health care cuts are still in the offing.



In Case You Missed It

- Although a special master earlier recommended dismissal of fraud charges against UnitedHealth Group for lack of evidence ([Washington Update - March 7, 2025](#)), the **U.S. Justice Department is now pressing a federal court to proceed with a trial in the 14 year-old upcoding case.**
- Vaccines’ reputation may get a boost from a **new Nature study showing that shingles vaccination was associated with a 20 percent lower likelihood of developing dementia.**
- HHS Secretary **Kennedy will visit Utah, Arizona, and New Mexico next week to meet with** “elected officials, tribal leaders, nutrition experts, and charter school visionaries as he works to fulfill President Trump’s promise to Make America Healthy Again,” according to an HHS release. He will also reportedly [celebrate](#) with Republican Utah lawmakers over that state’s successful efforts to ban fluoride from its water, stop the

use of food stamps to buy soda and limit school cafeterias from serving foods that include some dyes and other additives — all among RFK Jr.'s policy priorities.



APG Announcements And Offerings

- 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!
- 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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