

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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## Targeting Medicare Advantage "Overpayments" Now Possible As GOP Senators Hunt For More Savings In Reconciliation Bill

The mammoth House-passed <u>reconciliation bill</u> stayed in the crosshairs this week of <u>warring Republican factions</u> in the Senate: moderates resisting Medicaid and other social safety net cuts versus conservative fiscal hawks apoplectic about <u>sharp projected increases</u> in federal deficits and debt. Meanwhile, GOP senators aiming for deeper spending cuts are once again <u>eyeing</u> Medicare Advantage for savings, possibly by targeting <u>overpayments</u> as a source of waste, fraud, and abuse.

**Uncertain prospects:** The bill's fate remains uncertain amid the tensions, which this week included a <u>blast of opposition</u> from the Trump administration's erstwhile ally, Elon Musk. Most Senate Republicans appear to support including <u>mandatory Medicaid work reporting requirements</u> in the bill, but many remain concerned about the <u>collective impact on health coverage</u>, as 11 million individuals are projected to lose Medicaid coverage and another 5.1 million to lose coverage under the Affordable Care Act.

Conservatives continue to press for freezing <u>state provider taxes</u> and limiting the <u>level of payments that states can direct</u> for their Medicaid managed care programs, which could also diminish access and coverage. As APG maintains its advocacy against the Medicaid and ACA provisions (<u>Washington Update - May 16, 2025</u>), a new KFF <u>poll</u> suggests that 7 in 10 U.S. adults are "somewhat worried" or "very worried" about Medicaid cuts.

The House bill also faces scrutiny by the Senate <u>parliamentarian</u>, who must review <u>multiple provisions</u> to decide whether they violate a <u>Senate rule</u> restricting what can be included in reconciliation legislation. President Trump continues to push for enactment by July 4<sup>th</sup>, a deadline that is still widely deemed optimistic.



# Trump Administration's "Gold Standard" For Science Is Politicized Dross, Many Scientists Fear

Widespread concerns are building among scientists, physicians, and others that the Trump administration's purported new "gold standard" for government-funded research will cloak further efforts to politicize science. A White House executive order issued May 23 nominally endorses the core scientific principles of transparency, "reproducibility, rigor, and unbiased peer review" in federally funded research, but at the same time, it also instructs all government agencies to designate a "senior appointee" responsible for correcting "scientific information in response to violations."

The combination of centralized control and uncertain scope over which information could be subject to political "correction" has led more than 8,000 scientists, researchers, clinicians and others to sign an <a href="mailto:open">open</a> letter opposing the order, alleging that it is part of the administration's ongoing "assault on science."

Concerns have also built over uneven application by the Trump administration of even the core scientific principles mentioned in the order, such as <u>revising COVID-19 vaccine recommendations with little</u>

transparency and cancelling mRNA vaccine development over <u>unfounded safety concerns</u>. Health and Human Services (HHS) Secretary Robert F. Kennedy Jr. has also called on the Food and Drug Administration <u>to expand public access to unstudied therapies</u>, such as stem cells and chelation therapy.



## Deep Cuts To NIH, More Resources For MAHA Detailed In New Budget Proposal

A recently released 2026 budget proposal for HHS would cut the overall department budget by 25 percent, halve the budgets of both the National Institutes of Health and the Centers for Disease Control and Prevention, and allocate \$14 billion for the proposed new Administration for a Healthy America – the "primary agency focused on prevention," the document says. The NIH's 27 institutes and centers would be consolidated into eight and more than 5,000 existing contracts would be cut.

In a novel reorganization based on unusual categorizations, among new NIH institutes would be a "National Institute on Body Systems" and a "National Institute for Child and Women's Health, Sensory Disorders, and Communication."

Some Congressional Republicans have already signaled their intense reservations. "I am concerned that our country is falling behind in biomedical research," an endeavor that "has proven to save lives while exponentially strengthening the U.S. economy," <u>said</u> Sen. Shelley Moore Capito (R-WV) at a recent hearing. Capito chairs the Senate Appropriations Subcommittee on Labor, Health and Human Services, Education, and Related Agencies (Labor-HHS), which will play a key role in shaping the 2026 budget.



#### In Case You Missed It

- The House of Representatives next week will take up an administration <u>request</u> to rescind \$9.4 billion in already approved spending for fiscal 2025, codifying cuts to the President's Emergency Plan for AIDS Relief (PEPFAR), among other DOGE-related actions.
- CMS <u>rescinded guidance</u> issued in 2022 that clarified that health care providers that perform abortions in emergency situations are protected by federal law regardless of what state they are

operating in, putting more pregnant patient lives' at risk.

- U.S. physicians are increasingly less likely to work in small practices, and as of 2024, only 42 percent were in a physicianowned private practice, according to <u>new data</u> from the American Medical Association.
- CVS will <u>invest</u> \$20 billion to create a new interoperability platform to better integrate patient data across its companies and providers, according to *Yahoo Finance*.



### **APG Announcements And Offerings**

- Due to the significant changes coming to ACO REACH in 2026, APG will host a special meeting of the APG ACO REACH
   Coalition on Wednesday, June 11, 3:00 pm 4:00 pm ET. This meeting is open to members only. To register, please email Jenifer Callahan at icallahan@apg.org.
- DATE CHANGE: APG will host an Emerging Trends in Health Care webinar featuring Dr. Kavita Patel on Thursday, June 12, 1:00 pm 1:45 pm ET (previously scheduled for Tuesday, June 17). If you previously registered, no action is needed. Register <a href="here">here</a>.
- APG launches Case Studies in Excellence 2025: APG members are invited to submit an innovative care initiative or best practice in value-based care for the next edition of Case Studies in Excellence. Learn more and submit your abstract <a href="here">here</a>.
- Up to 10 APG members focused on dementia care with at least 30 percent of Medicare patients enrolled in Medicare Advantage, are eligible for technical assistance support through the National Dementia Care Collaborative (NDCC) thanks to support from The John A. Hartford Foundation. To connect with the NDCC team and apply for this opportunity, visit the NDCC website here.
- Want to get more involved in APG's Federal advocacy efforts? Join APG Advocates today.

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