



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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Senate Appropriators Nix Key Administration Priorities, Boost NIH And Other Funding In Labor-HHS Bill

By a healthy 26-3 bipartisan margin, the Senate appropriations committee this week [rejected](#) mammoth proposed Trump administration cuts to the budgets of the National Institutes of Health and Centers for Disease Control and Prevention and instead proposed to boost spending for biomedical research and other priorities. The panel's action also halted the administration's proposed change in reimbursement for indirect costs of NIH-funded research ([Washington](#)

[Update – February 14, 2025](#)) and signaled disapproval of many aspects of a proposed reorganization of both NIH and the Department of Health and Human Services ([Washington Update – April 18, 2025](#)).

The committee approved \$116.6 billion for HHS for fiscal 2026 — a \$446 million increase in discretionary funds compared with the current fiscal year. That included nearly \$48 billion in 2026 funding for NIH – also above the fiscal 2025 level, and a sharp break from the 40 percent cut that the administration proposed earlier this year. The package funds “billions for Alzheimer’s research and the National Cancer Institute, along with boosts for women’s and maternal health research,” *The Hill* reported, along with \$12 billion for Head Start, which the administration proposed to eliminate. Sen. Shelly Moore Capito (R-WV), who chairs the panel’s Labor and Health and Human Services subcommittee, said in a [news release](#) that the bill “continues our bipartisan record by including a number of priorities from both sides of the aisle.”

Reverse of fortune? The Senate panel’s move sets up a likely confrontation with the House of Representatives, which won’t take up its own comparable legislation until September, but which appears more inclined to follow the administration’s lead on spending and cuts. It also followed a bizarre episode that took place earlier this week, when the administration’s Office of Management and Budget ordered NIH to halt all grant funding, only to be [overruled](#) by others in the White House, who forced the order to be lifted hours later.

The administration is already embroiled in [lawsuits](#) over billions of dollars in frozen and rescinded NIH grants that one federal district judge has [ruled](#) were “bereft of reasoning.” “The chaos and dysfunction of the Trump administration is staggering,” Washington Democratic Sen. Patty Murray, vice chair of the appropriations panel, observed caustically in news release.



New National Provider Directory, Better Digital Tools For Medicare Among Features Of Renewed Information Technology Push

The Trump administration’s newly [announced](#) digital health initiative carries forward where prior administrations have left off – for example, picking up on a long-discussed [national provider directory](#), creating enhanced tools for beneficiaries to pick Medicare plans and track claims, and making a renewed push to “kill the clipboard,” an idea that first gained traction amid the first attempt to [spur nationwide electronic health records](#) during the administration of George W. Bush. But like the long drive to banish the fax machine from health care, how

much progress will occur through this push to “Make Health Tech Great Again” remains to be seen.

Dubbed the [Health Technology Ecosystem](#), the initiative includes a voluntary commitment from more than 60 health care providers, health plans, and technology companies to develop new consumer-facing tools to improve health data-sharing. Amazon pledged to partner with 11 large health systems and four large payers on the clipboard-killing effort to “stop requiring patients to remember or write out their health history.” And under an “interoperability framework” of indeterminate newness, patients would have simplified access to EHRs that they could share across providers and networks – much like the [Health Records](#) feature created by Apple, a company noticeably absent from the initiative.

Key potential tool: APG has long supported the creation of a single national provider directory, [responding](#) to a [request for information](#) during the Biden Administration by noting that “existing provider directories are fragmented and poorly serve the needs of consumers.” CMS said it had begun building a software interface to “enable apps to find provider networks” and other information and would launch “initial functionality of the new provider directory” later this year.

Separately, the Assistant Secretary for Technology Policy and Office of the National Coordinator for Health Information Technology [released](#) a final rule: Health Data, Technology, and Interoperability: Electronic Prescribing, Real-Time Prescription Benefit and Electronic Prior Authorization (HTI-4). The regulation contains new and updated health IT certification criteria for electronic prior authorization, electronic prescribing, and real-time prescription benefit information.



Testing The Offering Of Anti-Obesity Medications In Medicaid And Medicare Part D Reportedly Under Consideration By CMS Innovation Center

The CMS Innovation Center may test a voluntary program under which health insurers would offer anti-obesity medications through Medicaid and Medicare Part D insurance plans, the [Washington Post](#) reported based on documents that it obtained. The model would start in April 2026 for Medicaid and January 2027 for Medicare plans according to the documents, the report said.

The reported proposal constitutes something of a change of heart for the Trump administration, which had earlier discarded a Biden administration proposal to cover the anti-obesity medications for weight loss in Medicare ([Washington Update - April 11, 2025](#)), presumably out of concerns about costs. It is not clear how many insurers would elect to participate in a new voluntary model or what specific provisions would apply to patients.

Novo Nordisk's semaglutide (Ozempic and Wegovy) and Lilly's tirzapatide (Mounjaro and Zepbound) are now among the top-selling U.S. drugs; sales could exceed \$100 billion this year. Lilly is also developing a non-injectable drug, Orforglipron, which if approved is expected to be another blockbuster. The drugs' costs are already playing a role in higher-than-anticipated health insurance premium increases for 2026.



In Case You Missed It

- Costs for Medicare Part D drug plans are projected to increase to an average base premium of \$38.99, up slightly from \$36.78 in 2025, according to the [2026 preliminary rate information](#) for the Medicare prescription drug program released by CMS.
- Senate Democrats [launched](#) an investigation into the controversial decision by HHS Secretary Kennedy to fire all 17 members of the CDC's Advisory Committee on Immunization Practices. Separately, former panel members [endorsed](#) the creation of a new system as an alternative to the reconstituted CDC panel.
- Senators Elizabeth Warren and Angus King [introduced a resolution](#) to prevent Kennedy from firing and replacing all members of the US Preventive Services Task Force, a move also [opposed](#) by the American Medical Association.
- Secretary Kennedy says he plans to "[fix](#)" the vaccine injury compensation program, which he [says](#) has devolved into "morass inefficiency."
- Amid a hefty medical loss ratio and deteriorating financial outlook, UnitedHealthcare Group announced it will [drop](#) some Medicare Advantage plans covering more than 600,000 people and may consider pulling out of some Affordable Care Act markets next year.
- Susan Monarez, a longtime government scientist and former acting Centers for Disease Control and Prevention (CDC)

director, was [confirmed](#) to lead the agency.

- Dr. Vinay Prasad, who briefly served as the Food and Drug Administration's Chief Medical and Scientific Officer and the director of its Center for Biologics, [left](#) the agency this week. He had been a vocal critic of COVID-19 vaccine policies and overrode rank-and-file FDA officials to restrict COVID boosters during his tenure



APG Announcements And Offerings

- Registration is now open for the **APG Fall Conference 2025 - Purpose, Perseverance and Possibility: Staying the Course on Accountable Care, November 5-7 in National Harbor, MD**, near Washington, DC. **Register by Friday, August 22**, save up to \$300 with our Super-Early Bird registration.
- APG will host a **Learning Session on the 2026 Medicare Physician Fee Schedule & MSSP Proposed Rule** on **Thursday, August 7, 3:00 pm – 4:00 pm ET**. Register [here](#).
- APG will host a Group Purchasing Program webinar featuring **Accorded, Medicare on Demand, Plannery, and Sparx on Wednesday, August 20, 2:00 pm – 3:00pm ET**. Register for the webinar [here](#).
- APG will host a **Members-Only focus group on the 2026 Medicare Physician Fee Schedule & MSSP Proposed Rule** on **Thursday, August 21, 12:00 pm - 1:00 pm ET**. To register, please email Jenifer Callahan at jcallahan@apg.org.
- Want to get more involved in APG's Federal advocacy efforts? [Join APG Advocates today](#).

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