



Welcome to *Washington Update*, the weekly e-newsletter on the latest health care happenings in the nation's capital that affect APG's members.

Table of Contents

- **Objections Raised To New Innovation Center Model Aimed At Waste Are Not Defensible, APG Says**
- **Some House Republicans Eye A Reconciliation Redux With More Health Care Cuts**
- **As Vaccine Wars Escalate, Child Immunizations Face Review; Potential Alternative To New CDC Panel Advances**
- **In Case You Missed It**
- **APG Announcements And Offerings**



Objections Raised To New Innovation Center Model Aimed At Waste Are Not Defensible, APG Says

An array of [Democratic congressional](#) and [other](#) critics are pushing back on the recently proposed [Wasteful and Inappropriate Service Reduction \(WiSeR\) model](#) ([Washington Update - July 3, 2025](#)) under which CMS's Innovation Center will [test](#) new high-tech prior authorization in traditional Medicare for 11 costly and frequently overused procedures. APG believes that the critics' objections make no sense, especially since multiple Medicare ACOs within APG's membership – all of which operate within traditional Medicare – were

among those that have detected much of this overuse and fraud in the first place.

The planned model's critics include a mix of people who have supported proposed legislation to enact "Medicare for All" in the past and to speed adoption of electronic prior authorization in Medicare Advantage, where such routine upfront review of many services has long been commonplace. But in a "what's good for the goose isn't good for the gander" twist, they argue that extending this type of prior authorization into traditional Medicare could be unduly burdensome for both patients and providers, and that companies carrying out the electronic prior authorization – most likely enhanced by AI and other high-tech tools – would be overly incentivized to turn down care.

Different perspective: APG disagrees with these criticisms. Among prime targets of the model is eliminating wasteful and fraudulent use of [skin substitutes](#) for wound care – the exploding costs and [dubious use](#) of which have wreaked havoc on many ACO's bottom lines. With Medicare spending on skin substitutes estimated at \$10 billion this year – and at least hundreds of millions more on the other ten procedures now targeted – any excess or fraudulent costs will be borne by taxpayers and Medicare beneficiaries themselves through higher premiums.

As the Innovation Center's director, Abe Sutton, noted in a social media [post](#) this week, the standard pre-service reviews of medical necessity employed in traditional Medicare "have been slow and poorly implemented, which meant it wasn't effective at stopping fraud, waste and abuse." The proposed new test – to run in six states, starting next year until 2032 – would instead hand providers the choice of submitting a prior authorization request for skin substitutes and other specified procedures on behalf of patients or going through a post-service and pre-payment review. Organizations expert in determining medical necessity and applying enhanced technologies to prior authorization would be the key participants in the model, receiving 10 percent to 20 percent of any spending averted by their reviews.

Guardrails: In a newly revised [FAQ document](#) about the model, the Innovation Center emphasized the safeguards that would surround the new processes, including that these organizations' work would be audited and rated according to quality, and that the stick of "payment adjustments" for them would discourage any "inaccurate determinations." A key [health sector industry group](#) focused on AI is also reportedly drafting new standards for the use of the technology in prior authorization. A 2024 CMS [rule](#) has already charted a path toward high-tech prior authorization in Medicare Advantage, and health plans recently [committed](#) to major prior authorization improvements across all lines of insurance to simplify processes and reduce unnecessary burdens on providers and patients.



Some House Republicans Eye A Reconciliation Redux With More Health Care Cuts

The House [Republican Study Committee](#), a group calling itself the “conservative conscience of Congress,” met this week to mull ideas for assembling another party-line reconciliation bill packed with more health care cuts, according to news reports in [Politico](#) and elsewhere. Briefing panel members were representatives from the [Paragon Health Institute](#), whose claims that Medicaid provider taxes constituted “[money laundering](#)” helped justify the massive [Medicaid cuts](#) enacted in the H.R. 1. legislation in July.

One possibility on the table reportedly under consideration is a pared-back extension of the [popular](#) enhanced tax credits currently in place for Affordable Care Act premiums, but “paying for” them with unspecified cuts in Medicare Advantage, pharmacy benefit management reforms, additional site-neutral payment changes, and changes to the 340B drug pricing program. Some of these provisions were contained in earlier House-passed [legislation](#), but others, such as [340B](#), have now loomed larger on conservatives’ quest for health care savings. The Trump administration recently proposed a new [model](#) for 340B under which pharmaceutical manufacturers could voluntarily offer rebates for drugs whose prices had already been negotiated under Medicare Part D, rather than having to extend the typical up-front 340B discounts.

Other possibilities: APG’s own congressional soundings suggest little broad GOP support for cuts in Medicare Advantage and uneven enthusiasm for another Republican-only reconciliation package. But there is considerable bipartisan interest in some sort of year-end health package that would include extensions of pandemic-era Medicare telehealth payment waivers and other provisions scheduled to expire September 30. APG will continue to track the evolution of various discussions and advocate for its priorities.



As Vaccine Wars Escalate, Child Immunizations Face Review; Potential Alternative To New CDC Panel Advances

Childhood vaccines face renewed scrutiny under the Department of Health and Human Services’ [announcement](#) this week that it would

relaunch a long-discontinued task force to examine child vaccine safety and quality. The expected move to resurrect the panel – originally required under a 1986 [law](#), but dormant for years – has been long sought by Secretary Robert F. Kennedy Jr. ([Washington Update - July 25, 2025](#)) and signals another front in his anti-vaccine war. The panel, to be headed by Jay Bhattacharya, MD, PhD, director of the National Institutes of Health, is expected to conduct a broad inquiry and report within two years, according to the announcement.

The move came as these other policy uncertainties swirled around vaccines in general this week:

- The Food and Drug Administration is actively [considering](#) removal of the longstanding emergency use authorization for Pfizer's COVID-19 vaccine for children ages 6 months to 5 years old, Pfizer said. That would leave just one vaccine for children in this age group, made by Moderna, but only for those with "increased risk" of health conditions. The potential move follows Kennedy's decision in May to suspend COVID vaccine recommendations for "healthy" children and pregnant women ([Washington Update - May 30, 2025](#)).
- Staff at the Centers for Disease Control and Prevention headquarters in Atlanta continued to reel following a fatal August 8 shooting [attack](#). A policeman was killed, and the episode ended with the death by suicide of the gunman, whom [his father said](#) believed that the COVID-19 vaccine was to blame for his severe depression. In a statement, the CDC workers' union [blamed](#) the attack on vaccine "disinformation" and called for widespread "condemnation" of such views.
- As official federal vaccine advisories continue to shift, at least one outside organization is mobilizing to offer an evidence-based alternative. The [Vaccine Integrity Project](#), an initiative from the University of Minnesota's [Center for Infectious Disease Research and Policy \(CIDRAP\)](#), says it will [issue](#) new flu vaccine recommendations on August 19, positioning itself to fulfill functions previously handled by the CDC's advisory vaccine panel overhauled in June ([Washington Update - June 13, 2025](#)). The project says that it will conduct a range of "rapid response communications" to "address vaccine- and public health-related misinformation originating from official, federal sources in real time."



In Case You Missed It

- [Draft documents](#) obtained by *Politico* outlining the Trump administration's "Make Our Children Healthy Again" strategy

suggest that the White House tempered proposals such as restricting pesticide use in food production in favor of more “industry-friendly” changes, such as investigating some food ingredients and chemical exposures, the news-gathering organization says in a report today.

- The federal government – including HHS and the Department of Homeland Security, which controls Immigration and Customs Enforcement (ICE) – was temporarily [blocked](#) by a California federal district judge from using Medicaid records to aid in immigration enforcement. The decision came in a lawsuit filed by 20 state Democratic attorneys general.
- Vinay Prasad, MD, the former FDA top regulator over vaccines and other biologics, has [returned](#) to the agency less than two weeks after having been [ousted](#) by the Trump White House. His reinstatement at the agency reportedly came at the behest of FDA commissioner Marty Makary, MD.
- Physician productivity and overall net patient revenue per provider have increased, while decreases in medical support staff levels suggest ongoing workforce challenges may hinder future growth, according to a new 2025 Kaufman Hall [Physician Flash Report](#).



APG Announcements And Offerings

- *Washington Update* will not be published next week as staff take a summer break. The next iteration of the newsletter will be published on August 29, 2025.
- 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 has partnered with **Champions for Vaccine Education, Equity and Progress (CVEEP)** to provide APG members with consumer-facing materials to assist with vaccine outreach and education in patient communications during the upcoming respiratory virus season. Please access tailored materials for APG members [here](#).
- APG will host a Group Purchasing Program webinar featuring **Accorded, MedicareOnDemand, 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 APC Advocates today](#).

Know people who may enjoy receiving *Washington Update*? Forward this email and have them contact communications@apg.org to be added to the subscription list. Visit APG's [website](#) for more news and resources, or contact communications@apg.org.