



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

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Shutdown's Duration And Extent Of Pain Uncertain Amid Search For Compromise To Reopen Government

Three days into the partial government shutdown, the latest Republican-backed measures to extend fiscal 2025 funding and reopen the government are expected to fail to pass the Senate today even as negotiations continued among a small bipartisan group of senators to broker a deal. At the center of the bipartisan discussions is a potential compromise between the parties on extending a revamped version of the Affordable Care Act's [enhanced premium tax credits](#) (EPTCs) – disagreement over which had helped to prompt the shutdown in the first place. But with the shutdown now headed into a second week –

and the Trump administration threatening [potentially illegal](#) mass layoffs of federal workers – it remains uncertain how much political and economic pain will be incurred before both parties of Congress and the Trump administration agree on an acceptable off-ramp.

Senate Democrats have argued that extension of the EPTCs must be made final by November 1 – the day that the ACA's annual open enrollment period begins – to avoid massive confusion and drops in enrollment of up to several million individuals. A newly published KFF [analysis](#) shows that 2026 premiums on ACA plans will more than double if the EPTCs expire, with especially large increases for the 1 in 10 affected enrollees earning more than four times the federal poverty level (e.g., \$85,000 for a couple). One potential area of compromise between the parties would be capping the level of income for ACA enrollees authorized to claim the EPTCs. But with Democrats also pressing for multiple other changes –including rollbacks of recent regulatory changes affecting coverage and provisions of the H.R. 1 reconciliation law – it is unclear whether a deal can be forged.

Effects On APG Members: For APG member organizations, a key concern from the shutdown is the expiration of [telehealth flexibilities](#) in the traditional Medicare (TM) program. APG has advised its members that any TM enrollees seeking telehealth visits should be asked to sign an [Advance Beneficiary Notice of Noncoverage](#) and that members should not submit any relevant claims until the shutdown is over and Congress has made the Medicare telehealth flexibilities retroactive to Oct. 1, 2025, as it is widely expected to do. Coverage of telehealth visits for Medicare Advantage (MA) enrollees appears to be unaffected, but APG has requested clarification from CMS on whether diagnoses collected through MA telehealth visits will still count for the purposes of risk adjustment. Some hospital affiliates of APG members such as Massachusetts General Brigham have also been affected by expiration of the [Acute Hospital Care at Home](#) waiver, [prompting them](#) to temporarily cease their programs, discharge dozens of patients, or return them to hospitals.

APG will continue to keep members informed about developments related to the shutdown. In addition to advocating for retroactive coverage of telehealth and extension of the EPTCs, APG will maintain its active advocacy for permanent extension of the affected programs.



Outlook For Medicare Advantage In 2026 Appears To Be In Eye Of Beholder

As Medicare open enrollment (Oct. 15-Dec. 7) approaches, the Centers for Medicare & Medicaid Services (CMS), Medicare Advantage (MA)

advocates, and insurers have offered somewhat different outlooks for the 2026 MA plan landscape – raising some questions about the near-term scope of the program as the final phases of the [three-year transition](#) to a new risk adjustment system take full effect.

In recently released [analyses](#) of enrollment and premiums, CMS projects both a nearly 3 percent decline in MA enrollment in 2026 and an overall 15 percent decline in average monthly premiums to \$14, labeling the situation overall as “stable.” The agency said that 99 percent of beneficiaries will continue to have access to a plan, but the state-by-state analysis shows wide variation among the states, with plan numbers growing robustly in multiple markets and shrinking in others as some insurers [quit some states entirely](#). United Healthcare and Humana, the two largest MA carriers, earlier announced that they would leave unprofitable markets in 2026, dropping 600,000 and 500,000 members, respectively. An extreme case is Vermont, where just three plans in a handful of counties will be available as the state’s [largest MA provider](#) leaves the market.

Downsides for enrollees: In a statement, the advocacy group Better Medicare Alliance, of which APG is an “ally,” welcomed the CMS analysis but warned that many MA enrollees will also see higher out-of-pocket costs and fewer supplemental benefits as MA organizations (MAOs) seek to retain or boost profitability. In addition to pressures from the current risk adjustment model, plans continue to face pressure from sharply rising medical costs and utilization. UHC is among MAOs tightening up provider networks and [expanding access to HMOs and Dual Eligible Special Needs Plans \(D-SNPs\)](#) to drive both enrollment and improving profitability while improving enrollees’ health outcomes.

APG will continue to monitor the effects of these changes on its member organizations’ relations with MA payers and continue discussions about forging tighter partnerships with plans and addressing relevant pain points.



Administration Drive To Lower Prescription Drug Prices Inches Forward With A Vague Deal With Pfizer

Analysts are seeking to parse details of a confidential agreement that pharmaceutical giant Pfizer struck with the Trump administration this week that appears to insulate the company from new tariffs, while making some price concessions responsive to the administration’s [“most favored nation” pricing demands](#).

Speaking alongside President Trump in the Oval Office, Pfizer CEO Albert Bourla [announced](#) that the company will make all its medications available in Medicaid at “most favored nation” prices, and charge similar prices on all new drugs launched in the U.S., in line with an [executive order](#) and [letter](#) to major drug companies sent earlier this year. But no pricing details were disclosed, including in Medicaid, which already obtains the lowest U.S. prices available. Pfizer also said it would participate in a planned new “[TrumpRx](#)” [federal search portal](#) enabling consumers to search for drug prices and be directed to a pharmaceutical company’s own direct-to-consumer sales website. The Pharmaceutical Research and Manufacturers of America (PhRMA) also [announced](#) this week that it at it would offer a comparable platform.



In Case You Missed It

- Value-based payment models, particularly those with the greatest risk-sharing between providers and payers, outperformed fee-for-service-based arrangements across all quality measures in a new large-scale [analysis](#) of Medicare Advantage published in *JAMA Health Forum*.
- The Medicare Drug Price Negotiation program for 2028 will proceed with “significant policy changes” from the original Biden-era proposed rule, including broadened exclusions of orphan drugs that were enacted in H.R. 1, according to new CMS [final guidance](#).
- The application process for the [Rural Health Transformation Fund](#) will continue during the government shutdown, with applications due by November 5, CMS says.
- Anti-vaccine activist and author Mark Blaxill, who has a long career of linking autism to vaccines and believes that every vaccinated child is “in some way injured,” has reportedly been [hired](#) by the Centers for Disease Control and Prevention (CDC) as a new senior advisor, possibly leading a program that tracks autism within the agency’s center focused on birth defects and developmental disabilities.
- California has not yet adopted a plan to sustain 109 Planned Parenthood clinics that [can no longer bill](#) the state’s Medi-Cal program for routine prenatal and other care provided to patients and will be forced to close, warned the organization’s California CEO.



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. Groups of 5 or more that register together receive an additional \$50 savings per registrant.
- APG will host the sponsored webinar, "Bridging the Gap: Integrating Behavioral Health Into Evernorth Primary Care," Presented by evolvedMD, on Tuesday October 14, at 4:00pm ET. [Register here](#).
- APG will host a member-only focus group on the Federal Trade Commission's non-compete [RFI](#) on October 9, at 4:00pm 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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