



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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Bipartisan Push To Enact Fiscal 2026 Spending Bills Possible Long Shot For Ending Shutdown

Tentative bipartisan talks in the Senate aimed at enacting at least some fiscal 2026 appropriations bills in tandem with a 2025 funding extension signal a possible path forward to ending the five-week-old government shutdown. But amid a broader inter-party stalemate, prospects for reaching a deal remain uncertain, as does achieving the Democrats' sought-after measure to extend the Affordable Care Act's [enhanced premium tax credits \(EPTCs\)](#) on the eve of ACA open enrollment beginning tomorrow.

The House-passed continuing resolution that Democrats rejected extended fiscal 2025 funding only through Nov. 21, and as that date approaches, the prospect of reopening the government by merely extending current year funding levels clearly strikes even some Republican lawmakers as a fool's errand.

As a result, the *PoliticoPro* newsletter reported, Senate Appropriations Chair Susan Collins (R-ME) and Sen. Katie Britt (R-AL), who leads the Homeland Security subcommittee, met with Senate Majority Leader John Thune to discuss advancing “a three [appropriations] bill package alongside a new stopgap [spending bill] running through mid-December,” together with a vote to extend the EPTCs. Thune, however, warned that “a deal to advance full-year spending bills would move forward only after Democrats agree to a stopgap measure reopening federal agencies” that lasted into calendar 2026, according to the publication. House Speaker Mike Johnson also reportedly rejected the approach, noting that constitutionally, all general revenue provisions must originate in that chamber.

Growing shutdown sting: Unless President Trump soon weighs in, the ongoing logjam is unlikely to break in the immediate future, outside budget-watchers warn. Meanwhile, the pain resulting from the shutdown continues to deepen, as unpaid and furloughed federal workers [resort](#) to local Washington food banks and similarly situated air traffic controllers take on [gig jobs](#). With 42 million Americans at [risk of losing](#) Supplemental Nutrition Assistance Program (SNAP) benefits beginning tomorrow, a federal District Court judge in Boston appears [likely](#) to order the U.S. Agriculture Department to provide contingency funds to help cover benefits – although delays in resuming any funds flow could still result.



As ACA Open Enrollment Begins, Blame Game Over Premium Hikes Belie Underlying Realities

As ACA open enrollment begins tomorrow, conflicting assessments of the premiums facing potential customers flared this week – fueling interparty squabbling, President Trump’s and House Republicans’ insistence that the ACA is “broken,” and a possible renewed effort in some quarters to once again “repeal and replace” the law.

A new [report](#) by KFF said average 2026 premiums for ACA plans are up 26 percent over last year, and 30 percent for those sold through the federal exchange, Healthcare.gov. Coupled with the expiration of enhanced premium tax credits (EPTCs), premiums paid by enrollees will thus rise an [average of 114 percent](#) over last year, KFF maintains. Meanwhile, emphasizing plan affordability, the Centers for Medicare & Medicaid Services (CMS) said in a [fact sheet](#) that shoppers could still find plans with monthly premiums of \$50 or less after the ACA's standard tax credits are applied. The agency said that the remaining ACA tax credits on average will cover 91 percent of the lowest plan premiums available to eligible enrollees – presumably for so-called “bronze”-tier plans, which carry high deductibles and cost sharing. CMS also noted that, thanks to a provision of the recently enacted reconciliation law, H.R. 1, an estimated 1.6 million consumers “catastrophic” or bronze-level plans will also have access to health savings accounts (HSAs) for next year.

Mixed Messaging: CMS's attempt to tamp down affordability anxieties came as President Trump [decried](#) ACA premiums that “are going through the roof for really bad healthcare!” – predictably blaming Democrats. As the political blame game continues, Democrats have critiqued an absence of any GOP health care plan – prompting House Speaker Johnson this week to appoint several colleagues to craft a new GOP health care agenda and “a fix for health care,” *Inside Health Policy* [reported](#).

As has been widely reported, health insurance premiums are now rising across the board – and well beyond ACA plans – for [several key reasons](#), including rising health care utilization and unit costs, higher spending on anti-obesity and diabetes drugs, and the effects of higher health care labor costs, among other factors. APG member organizations are directly experiencing all these phenomena, underscoring the need to continue advancing value-based care models as a means of further rationalizing this overall higher health care spending.



Push To Increase Biosimilars Use, Lower Drug Spending Behind Planned FDA Move

Amid growing opportunities to substitute lower-cost [biosimilar](#) drugs for branded [biologics](#), the U.S. Food and Drug Administration this week released new [draft plans](#) to speed more of these products through regulatory approvals and onto the market. The proposed changes would simplify requirements for demonstrating that a

biosimilar is in fact “highly similar” to a branded biologic or that it is “interchangeable” with the branded product.

Savings potential: In a [news release](#), the agency said that the clinical studies now employed to demonstrate these features of biosimilars are costly and unnecessary and can be replaced by other testing techniques. Doing so would enable faster biosimilars approval – a necessary step now that biologics constitute 5 percent of U.S. drug prescriptions, but 51 percent of overall drug spending as of 2024, the agency said. It added that only about ten percent of the biologics expected to lose patent protection during the next decade currently have a biosimilar equivalent.

The draft guidance released by the agency this week will be open for public comment for 60 days once it is published in the Federal Register. APG fully supports efforts to bring more biosimilars to market faster. A [breakout session](#) at APG’s fall conference next week will explore ways to broaden biosimilars use within physician practices and the potential to achieve greater health care savings. Please see “**APG Announcements and Offerings**” below for information on how to register.



In Case You Missed It

- Dan Brillman, the former CEO and co-founder of Unite Us, a health technology company that built a platform to connect health care and social services, provides software and data infrastructure for connecting people to health and social services, has been named Deputy Administrator and Director of the Center for Medicaid and Children’s Health Insurance Program (CHIP) Services, according to news reports.
- Children whose mothers had COVID-19 while pregnant face an elevated risk of developmental disorders including autism, according to a newly published [study](#) by [researchers](#) at Mass General Brigham. The study casts further doubt on now-discarded recommendations from Health and Human Services Secretary Robert F. Kennedy, Jr., that pregnant women avoid COVID vaccines.
- Moving to new risk-adjustment systems that would rely more on electronic health record information rather than claims-based risk coding would have the added advantage of reducing clinician burden, a new *JAMA Health Forum* [article](#) asserts. Co-authors include former CMS administrator Mark McClellan, MD, MPH, and Victor Legner, MD, chief medical officer of APG member organization Central Ohio Primary

Care.

- The launch of CMS's Wasteful and Inappropriate Service Reduction (WiSeR) model, which aims to introduce prior authorization in eight states under traditional Medicare for a select group of services, should be delayed by at least six months, the American Hospital Association said in a [letter](#) to the agency. The association said that the planned start date of January 1, 2026 is "impractical for providers and jeopardizes the administration's goal of easing provider administrative burden associated with prior authorization." APG has fully supported the model.
- The anti-obesity treatments of injectable semaglutide, oral semaglutide, and tirzepatide are highly cost-effective, but even so, only 1 percent of eligible patients could be treated for less than a "budget impact" threshold of \$880 million annually, according to an updated [evidence report](#) from the Institute for Clinical and Economic Review (ICER).
- APG member organization Oak Street Health will close 16 "underperforming" clinics but remains committed to the model and will continue to operate 230 centers across 27 states, parent organization CVS Health said in announcing a resulting charge against third quarter earnings. A spokesperson [pointed](#) to "external challenges, such as elevated medical costs, CMS risk adjustment model changes, and health plan payer dynamics" as familiar headwinds facing operations.
- Evernorth, Cigna's health services division, will [end its use](#) of controversial drug rebates in its ExpressScripts division as it embraces a new model in which discounts negotiated with drug companies are "available upfront to Americans buying their medications," it said in a statement. The move follows [news reports](#) that pharmacy benefit management firms, or PBMs, seek to head off bipartisan efforts to pass longstanding PBM reform legislation.
- More than 11,000 non-citizen physicians were sponsored for H-1B visas in fiscal 2024 – 1 percent of the U.S. physician workforce – and such physicians are heavily concentrated in rural counties and those with the highest poverty levels, according to a new research letter published in JAMA. As a result, the authors wrote, the Trump administration's hike in H-1B visa fees from approximately \$3500 to \$100 000 will "disproportionately affect rural and socioeconomically disadvantaged communities, which already experience the greatest health care workforce shortages."

- A federal District Court judge in Seattle accused the Department of Justice (DoJ) of “prosecutorial coercion” in [blocking](#) its effort to obtain confidential patient information from a provider of gender-affirming care. The DoJ last July subpoenaed QueerDoc, which provides telehealth and prescription services in 10 states, seeking five years of sensitive data on patients and providers.

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APG Announcements And Offerings

- It's not too late to register for next week's [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.
- Want to get more involved in APG's Federal advocacy efforts? [Join APG Advocates today.](#)

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