



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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With Shutdown In Rear View Mirror, Attention Shifts To Proposed Enhanced Premium Tax Credit Vote

The nation's longest-ever government shutdown [ended](#) this week after 43 days, as eight Senate Democratic Caucus members and six House Democrats joined Republicans to extend most fiscal 2025 funding through January 30, enact three new fiscal 2026 appropriations bills, and add short-term extensions of Medicare telehealth flexibilities, community health center funding and the Acute Hospital Care at Home Medicare waiver.

Now attention turns back to extending the Affordable Care Act's [enhanced premium tax credits \(EPTCs\)](#) – the issue that Democrats fought for, but in the end, settled only for a promise from Sen. Majority Leader John Thune (R-SD) that a vote on the issue would be held in mid-December.

The fate of any EPTC extension remains uncertain, not least because no analogous vote in the House has yet been promised by House Speaker Mike Johnson (R-LA) even as 2026 ACA premiums [soar](#) for

millions of Americans in the absence of the credits. Discussions [continue](#) over possible bipartisan bills to extend the credits and rival Democratic and Republican-backed measures that would take sharply different approaches – including the duration of any extension or whether there would be any new income caps on eligibility for the credits.

Alternative means: Meanwhile, some Republicans – voicing a newfound antipathy for directing funds to private health insurers – are looking for alternative ways to channel money to consumers outside of the credits. Sen. Bill Cassidy (R-LA), who chairs the Senate Health, Education, Labor and Pensions committee, this week [floated](#) a proposal to take funds that would otherwise be used to extend the credits and send them to flexible spending accounts, or FSA's, for individuals purchasing coverage on the ACA marketplaces. Presumably, the funds would be equivalent to the amount of any EPTCs that ACA the enrollees would have received. But without a change in law, any money in FSA's could not be used to pay premiums, and would have to go to other uses, such as covering out-of-pocket costs for care.

A core issue will be finding spending cuts or other offsets to pay for any extension of the EPTCs, which could cost \$23 billion to extend them for one year and up to \$350 billion to extend them for ten years. Although Congress waived the pay-as-you-go requirements for the spending in the new continuing resolution, it is unlikely to do so for a separate provision to extend the EPTCs, which means that the search for other health care offsets is on.

Two California House members, Republican Kevin Kiley and Democrat Sam Liccardo, have proposed paying for a two-year extension of EPTCs through a proposed [Fix It Act](#), which would lower Medicare Advantage risk adjustment payments by disallowing diagnoses based on [health risk assessments](#), or HRAs. Because APG groups operating in delegated MA contracts with health plans undertake their own HRAs, APG has opposed such a blanket approach on HRAs.



Health Care Costs: Still A Problem, Congress Finds

The renewed surge in health insurance premiums epitomized by the EPTC debate is galvanizing lawmakers' attention to the perennial problem of high and rising health costs. Accordingly, a planned Senate Finance Committee [hearing](#) on Nov. 19 will explore

“The Rising Cost of Health Care: Considering Meaningful Solutions for All Americans.”

Although a witness list has not yet been released, the hearing is expected to revisit multiple familiar drivers of cost growth, including pharmaceutical utilization and pricing. Also likely to gain airtime are such frequently discussed solutions as site-neutral payments and reforms to both pharmacy benefit management (PBM) practices and Medicare Advantage payment. Key Republican House committee leaders also plan “listening sessions” to float a range of approaches, some of which could end up in a health care package late this year or next, the *Politico Pro* newsletter [reported](#).



In Case You Missed It

- The Center for Medicare and Medicaid Innovation’s proposed **Wasteful and Inappropriate Service Reduction (WISeR) model** is targeted for repeal in a [bill](#) backed by six Congressional Democrats, who contend that the proposal to test AI-backed prior authorization in six states in traditional Medicare will create barriers and limit access to care. APG has strongly endorsed the model as a needed weapon against wasteful and inappropriate spending on such products as skin substitutes, which can wreck ACOs performance and unnecessarily drive up costs for Medicare beneficiaries and taxpayers.
- Veteran **Food and Drug Administration regulator Richard Pazdur, MD**, founding director of the FDA’s Oncology Center of Excellence, was [appointed](#) this week to lead the all-important Center for Drug Evaluation and Research. He succeeds George Tidmarsh, who resigned two weeks ago amid serious concerns about his conduct, according to [news reports](#).
- A new **“plausible mechanism” FDA pathway** for regulatory approval could allow new treatments for rare diseases onto the market when randomized controlled trials aren’t feasible, FDA commissioner Marty Makary, MD, MPH and Vinay Prasad, MD, MPH, who heads FDA’s Center for Biologics, [propose](#) in *The New England Journal of Medicine*.
- **States’ applications for the new Rural Health Transformation Program grants** created under HR 1, the reconciliation law enacted last July, are catalogued at the [website](#) of State Health and Value Strategies, a Robert Wood Johnson Foundation-funded program at Princeton

University.

- Vice President J.D. Vance [saluted](#) **President Trump’s “bulldozer” approach to public health** in an appearance at this week’s Make America Healthy Again summit in Washington, DC, along with Health and Human Services Secretary Robert F. Kennedy, Jr.
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APG Announcements And Offerings

- APG will host a **Learning Session Webinar** on Wednesday, November 19, 3:00-4:00 pm ET, about the Centers for Medicare & Medicaid Services’ (CMS) 2026 Medicare Physician Fee Schedule (MPFS) and MSSP Final Rule. Register for the webinar [here](#)
- **Missed the APG Fall Conference? Purchase full recordings of key sessions and panels!** Beginning today, you can access **on-demand videos** of the **General Sessions** and **audio recordings** of the **Breakout Sessions**, featuring some of the most timely and insightful discussions in health care today. For a full overview of the sessions featured in the recordings, visit our agenda [here](#). Experience the best of APG Fall Conference 2025 – on your schedule.
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