



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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On Ground Hog Day 37, Still No Apparent End To Longest-Ever Government Shutdown

At 37 days, the partial government shutdown is now the longest in U.S. history – and despite the latest bursts of effort to bring it to a close, it is as unclear as ever whether the end is in sight.

Senate Majority Leader John Thune (R-SD) is expected today to [hold a vote](#) – the 15th to date – on the original House-passed continuing resolution to maintain fiscal 2025 funding through Nov. 21. As a sweetener intended to persuade at least some Democrats to sign on, he is likely to attach to the measure a package of [three fiscal 2026 spending bills](#) that were negotiated on a bipartisan basis. But much Democratic resistance remains intact, buoyed by the party’s victories this week in key governor’s races and a redistricting plan in California. Similarly, House Speaker Mike Johnson (R-LA) [maintained](#) again Thursday that there will be no negotiation over the Democrats’ key demand – extending the Affordable Care Act enhanced premium tax credits (EPTCs) – until the government is open.

Attempts to broker a compromise continue. The *PoliticoPro* newsletter [reported](#) Thursday that two freshmen Senate Democrats and two House Republicans planned to team up to push a new bipartisan plan to extend the EPTCs. But even after President Trump [said](#) this week that the election results reflected the fact that the shutdown “was a big factor, negative, for the Republicans,” there was no sign that the White House would intervene to force a deal.

Deepening damage? The public’s patience over the impasse is likely to be tested this weekend as the Federal Aviation Administration [forces](#) airlines to cut 10 percent of their flights at the nation’s 40 busiest airports. Sickouts continue among the nation’s air traffic controllers, who have now gone since October 1 without pay. The Trump administration, meanwhile, is now under [court order](#) to fully fund Supplemental Nutrition Assistance Program (SNAP) benefits for November by today – so that 42 million Americans, including 16 million children, can continue to eat.



Sharply Lower Prices For Anti-Obesity Medications To Be Covered Under Medicare And Medicaid

The Trump administration and two leading pharmaceutical manufacturers this week unveiled [plans](#) for coverage and sharply lower prices for anti-obesity drugs under Medicare and Medicaid, along with a new CMS Innovation Center model to bring “most favored nation” drug prices to Medicaid. These latest actions build on earlier announcements of deals struck with other pharmaceutical companies on similar pricing arrangements (*Washington Update*, [Oct. 3](#) and [Oct. 17](#)) and CMS’s [intention](#) to negotiate Medicare drug prices for 2027 with some of the same drugs and companies.

In a five-year pilot project still under development, pharma companies Eli Lilly and Novo Nordisk will agree to lower current prices on their top-selling GLP-1 drugs in exchange for Medicare and Medicaid coverage, the White House said. Medicare prices of Ozempic, Wegovy, Mounjaro, and Zepbound would be \$245, down from a range of roughly \$1,000 to \$1,350 per month, with Medicare beneficiaries responsible for a co-payment of just \$50 per month.

Coverage deal: Medicare coverage of the drugs, which would take effect in 2027, would be available for patients who are severely obese; are obese and have advanced kidney disease, heart failure, or uncontrolled hypertension; or who are overweight and have prediabetes or cardiovascular disease. Medicare coverage would take effect in 2027. As soon as next year, state Medicaid programs would also be able to cover the drugs voluntarily at the same prices. The drugs would also be available directly to consumers for \$350 per month, and potentially as low as \$149 per month if oral GLP-1 drugs are approved by the U.S. Food and Drug Administration (FDA).

In a separate announcement, CMS announced a new voluntary model under which state Medicaid programs could obtain pharmaceuticals at “most favored nation” prices – that is, “aligned with those paid in select other countries,” CMS said in a statement. Called GENEROUS (GENERating cost Reductions fOr U.S. Medicaid), the [model](#) will launch under the authority of the CMS Innovation Center next January and run for five years. The agency has released a [request for applications](#) for pharmaceutical manufacturers interested in participating in the model and said all U.S. states and territories would be eligible to participate. CMS said the drug prices available through the model are expected to be below those that states currently obtain under the [Medicaid Drug Rebate Program](#) and any additional rebates that many negotiate with manufacturers.



Agency To Boost Payment Efficiency, Says CMS Administrator Dr. Oz; Thanks APG For Support In Skin Substitutes Battle

The Centers for Medicare & Medicaid Services, which handles payments across government programs amounting to \$1.75 trillion annually, should be “the best payer out there” because of dramatically faster and more accurate payment processes over the next several years, according to Mehmet Oz, MD, MBA, the CMS administrator. His comments came as he spoke this week at APG’s

2025 Fall Conference, outlining priorities for the agency under his tenure.

Referencing CMS's legacy information systems that still use COBOL, a computer programming language developed in 1960, Oz discussed multiple efforts under way within the government to harness modern technologies such as AI to improve payment processes and reduce administrative burden throughout the health care system. He also pointed to major leaps forward in processes such as prior authorization that are now underway in concert with technology companies and commitments by U.S. health insurers.

In conversation with APG's President and CEO, Susan Dentzer, Oz also did the following:

- Thanked APG for helping CMS withstand an [aggressive lobbying effort](#) by skin substitute producers to beat back regulations to sharply lower Medicare reimbursement for the products. CMS last week adopted a final Medicare Physician Fee Schedule rule to **pay for skin substitutes as “incident-to” supplies**, rather than as biological products, effectively lowering payments sharply, and with them, incentives leading to overuse and abuse. In a [news release](#), APG said that the welcome change was “essential to allow Medicare accountable care organizations and other total costs of care models, such as Kidney Care Choices, to meet their accountability benchmarks and deter massive waste, fraud, and abuse in the use of skin substitutes.” Oz noted that Medicare was on track to spend \$13 billion on the products in 2025 – up nearly a third from 2024 – and that, without the change, projected to spend \$23 billion on them in 2026. The difference would have cost Medicare beneficiaries another \$40 per month on their Part B premiums, he said.
- Agreed that CMS was open to incentivizing Medicare Advantage plans to form more two-sided risk relationships with providers to capture better care outcomes for MA enrollees. APG has documented these improved outcomes in a series of papers published in academic journals this year. Oz said that the agency would consider a longstanding APG proposal to reward MA plans for forming such relationships with skilled provider groups through Star Ratings.



**Former CDC Officials
Describe In Detail
A “Public Health Emergency”
From Upheaval Over Vaccines**

Speaking at APG's 2025 Fall Conference, three top former officials of the Centers for Disease Control and Prevention who resigned earlier this year detailed ongoing decisions emanating from the agency's recently reconstituted Advisory Committee on Immunization Practices that constitute sharp departures from long established science. So dire are the implications that "this is a public health emergency that we're in right now," one that "requires an emergency response," said one of the officials, Demetre Daskalakis, MD, MPH, who led the National Center for Immunization and Respiratory Diseases.

Looming threats: The three officials – who included former CDC chief medical officer Debra Houry, MD, and Daniel Jernigan, MD, MPH, the former director of the National Center for Emerging and Zoonotic Infectious Diseases – resigned last August after former CDC director Susan Monarez was fired by Health and Human Services Secretary Robert F. Kennedy, Jr. They described scenes of chaos as more than a third of the CDC's staff was laid off, longstanding scientific review processes abandoned, and "anecdotes" about vaccines increasingly substituted for evidence. They warned of major revisions ahead for ACIP's infant and childhood vaccines schedule based more on anti-vaccine skepticism than science, and ongoing efforts to undermine public confidence in vaccines that could lead to ongoing declines in immunization and undercut the very concepts of "herd immunity" within the population.

Daskalakis expressed the hope that multiple state-led efforts to provide alternative sources of credible public health information would "coordinate and not compete" to maintain a consistent scientific framework around vaccine recommendations. He and his colleagues encouraged medical groups such as APG to continue to speak out about the departures from science and hold the federal government accountable for the dangers posed to public health.

APG members in the audience complimented the three on their bravery in speaking out and awarded them a standing ovation for their presentation.



In Case You Missed It

- The Proactive Care Program launched by APG member UCLA Health uses AI-powered analytics to identify patients who are more than 35 percent likely to be hospitalized within 12 months – then connects them with teams of nurses, social workers, and care coordinators to avoid medical crises,

according to a [profile](#) of the program in the November 2025 *Health Affairs*.

- Upheaval continues at the FDA, following [the resignation](#) of the head of the agency's drug center over conflict of interest allegations and chaos under the leadership of the FDA's biologics division, according to [news reports](#).
- New [guidance](#) from the federal Consumer Financial Protection Bureau would repeal a Biden-era rule and override laws in more than a dozen states – including Washington, Oregon, California, Colorado, Minnesota, Maryland, New York, and most of New England – that prevent consumers' credit reports from including medical debt, [Stateline reports](#).
- Employer noncompete agreements should be allowed within specific guardrails, APG wrote in a [comment letter](#) in response to a Request for Information from the Federal Trade Commission (FTC). APG said that noncompetes with guardrails were necessary so that investments made in helping physicians develop their practices and proficiency in value-based care are protected.

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APG Announcements And Offerings

- **Missed the APG Fall Conference? Purchase full recordings of key sessions and panels!** Beginning on November 14, 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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