



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 Deals Over Health Care Measures Teed Up As Funding Clock Ticks Down**

Congress moved a step closer this week to enacting multiple spending and health care provisions ahead of the January 30 expiration of the temporary legislative provision now funding the government. The House of Representatives adopted a [package](#) of the four remaining fiscal 2026 appropriations bills along with a set of health care measures, setting the stage for final action by the Senate when it reconvenes next week.

Although House Democrats [fought](#) Republicans over a spending bill funding the Department of Homeland Security, strong bipartisan support secured passage of a [separate spending bill](#) that rejected the Trump administration's proposed 40 percent cut in the budget for the National Institutes of Health and 50 percent cut for the Centers for Disease Control and Prevention. The overall spending package also contained other health care measures that elicited broad bipartisan support, as follows:

- Significantly for the value-based care movement, renewal of Medicare's Advanced Alternative Payment Model bonuses, to be set at 3.1 percent for performance year 2026 while retaining the existing [qualifying thresholds](#) that determine eligibility for the bonuses.
- Extension of multiple soon-to-expire provisions, including Medicare telehealth flexibilities for another two years, the Medicare Acute Hospital Care at Home program for another four years, and a [record level](#) of funding for community health centers for fiscal 2026.
- A provision requiring pharmaceutical benefit management firms to provide employers with detailed data on the [often controversial arrangements](#) they negotiate with pharmaceutical manufacturers.
- A measure that would pressure Medicare Advantage to take steps to avoid having so-called "ghost networks" -- clinicians listed in their provider directories who are not accepting patients.

The Senate, which has so far passed six of its 12 appropriations bills, must now take action next week on the rest of House package to win President Trump's signature by the Jan. 30 deadline. Senate Democrats and a separate bipartisan group will push again for incorporating legislation to extend the Affordable Care Act's enhanced premium tax credits, but such a prospect appears increasingly unlikely amid broad Republican opposition and President Trump's indifference.



## **Lawmakers Press Health Insurance Executives About Costs, With GOP Critiques Of The ACA Taking Center Stage**

Health insurance premiums are high and rising mainly because underlying health care costs are high, five leaders of the nation's largest health insurers told a pair of House hearings this week. The insurers' comments came as lawmakers pressed them about a stewpot of concerns, ranging from why the Affordable Care Act

hadn't delivered on the promise of affordability, to a perceived lack of competition within the health insurance sector and commonplace complaints over the burdens imposed by prior authorization.

"The cost of health insurance is driven by the cost of health care. It is a symptom, not a cause," United Health Group CEO Stephen Helmsley [told](#) the House Energy and Commerce Committee's [hearing](#). He and the other CEOs then pointed to multiple factors helping to drive that cost growth, including growing utilization, rising hospital prices, and soaring specialty drug spending, among many others. They agreed that the average citizen was no match for the health care system's daunting complexities and owned at least some responsibility for their role in making matters worse. "I hope what everyone takes away from this is that it's a systemic problem that requires a systemic resolution," [said](#) Paul Markovic, the CEO of Ascendium, parent company of Blue Shield of California.

**ACA Attacks:** At the House Ways & Means Committee's bookend [hearing](#), Republican lawmakers hit hard on "15 years of a Democrat-created health system under Obamacare," along with the program's "open-ended subsidies intended to expand coverage," as panel chairman Jason Smith (R-Mo.) put it. The insurance CEOs acknowledged multiple problems with the ACA's qualified health plans and marketplaces, but as David Cordani of CIGNA pointed out, despite high premiums, CIGNA's ACA plan offerings were only profitable in two out of 12 years. The CEOs presented some potential solutions, such as working to bring younger, healthier people into insurance risk pools to distribute costs more broadly, as CVS Health CEO David Joyner [proposed](#).



## **Flu Deaths And Measles Outbreaks Intensify Amid Vaccine Policy Upheaval**

One clear outcome of relatively low U.S. rates of vaccine acceptance: Levels of hospitalizations and deaths due to influenza are high, and measles outbreaks are growing in multiple states. The tallies underscore the danger that the Trump administration's ongoing attacks on vaccines will further reduce vaccine confidence and make health outcomes even worse.

With respect to influenza, the CDC reports more than 230,000 hospitalizations and more than 9,000 deaths so far this season, including a growing number of [pediatric fatalities](#). Among those at greatest risk of serious illness, both the percentage of [adults age 65](#)

[and older](#) and [children](#) receiving flu vaccines are well below targeted levels. Hospitals in much of the country continue to report strain in emergency rooms from respiratory illness, prompting renewed calls from local public health officials for vaccination and early antiviral treatment for high-risk populations.

**Loss of status?** As measles outbreaks have now [spread](#) to at least 9 states, CDC data show that overall measles, mumps, and rubella (MMR) vaccine levels have now [fallen](#) below the 95 percent level deemed optimal for preserving herd immunity. Amid an outbreak in South Carolina, the state's Department of Public Health [reports](#), "We have seen measles spread quickly in unvaccinated households." The collective weight of the outbreaks has led the Pan American Health Organization, the regional division of the World Health Organization, to [summon](#) both the United States and Mexico to an April meeting to review these countries' so-called measles elimination status. The U.S. [acquired](#) that status – which means that there are no documented large outbreaks of measles over at least a one-year period, and no uncontrolled domestic transmission of a virus over the same period-- in 2000.

When CDC Principal [Deputy Director Ralph Abraham](#), a longtime vaccine skeptic was asked by reporters this week about the possibility of the U.S. losing its measles elimination status, he [said](#) he was not worried. "It's just the cost of doing business with our borders being somewhat porous for global and international travel," Abraham said. "We have these communities that choose to be unvaccinated. That's their personal freedom."



## In Case You Missed It

- **The “coding differential” between Medicare Advantage and traditional Medicare would have narrowed** to just 1.5 percent to 2 percent in 2022 – well below other estimates that have placed it as high as 10 percent – largely as a result of the shift to the V28 risk adjustment model beginning in 2024, according to an [analysis](#) newly published in *Health Affairs Scholar*. Authored by current senior CMS officials including Chris Klomp, director of the Center for Medicare, the study suggests that, if anything, the [coding intensity factor](#) adjustment that CMS how routinely applies in setting forth annual risk adjustment policy may be too high.
- **The 40 Star Ratings used in Medicare Advantage (MA) – which now drive almost \$13 billion annually in quality bonus payments to MA plans -- don’t focus enough on health outcomes** or other attributes that matter to patients,

such as reduced mortality, better access to care, or improved patient experience, according to a new [analysis](#) in *Health Affairs Forefront*. With lead author Elizabeth Fowler, former director of the CMS Innovation Center, the analysis suggests replacing the current system with “a two-tier framework” of more outcomes-focused Star measures, and a separate “MA Transparency Scorecard” to measure non-clinical plan attributes.

- **As CMS transitions to greater use of electronic or “digital” quality measures (dQMs), it [seeks public comments](#)** on plans to collect measures through the same [FHIR](#) data-exchange standard used with electronic health records. Comments are due February 23, 2026
- “Make America Healthy Again: Innovating Together for Better Health” is the theme of **this year’s CMS [Quality Conference on March 16-18](#)** in Baltimore. “Recognizing the importance of partnerships and coordination, this year’s conference will prioritize collaboration across various sectors,” the agency says.
- Bowing to longstanding demands of anti-abortion advocates, the NIH [said](#) his week that it would no longer fund research involving human fetal tissue from elective abortions, although it will continue to fund research involving tissue from fetuses from miscarriages and stillbirths. Fetal tissue research has traditionally fueled advances in fields including vaccine research, HIV/AIDS, and Parkinsons, among many others.



## APG Announcements And Offerings

- Registration is now open for the **APG Spring Conference 2026: Delivery, Dollars, And Determination: Challenges and Opportunities In Accountable Care** to be held May 27-29 at the Marriott Marquis Marina in San Diego. Please [register now](#) to take advantage of the *lowest rates of the year* with Super Early Bird Savings!
- **Sponsorship is now open for the APG Spring Conference 2026**, May 27-29, in San Diego. Visit our [Spring Conference 2026 sponsor website](#) and reserve your space today!
- APG will host a sponsored webinar, **"Unpacking the Mandatory ASM (Ambulatory Specialty Model): What to Know & How to Prepare,"** Presented by Forvis Mazars, on Tuesday, February 3, at 2:00 pm ET. [Register here](#).

- APG will host a sponsored webinar for APG members only presented by Merck: **“Recognizing and Addressing the Risks and Shifting Epidemiology of Adult Pneumococcal Disease”** on Thursday, February 5, at 3:00 pm ET. APG Members may contact Lura Hawkins at [lhawkins@apg.org](mailto:lhawkins@apg.org) to register.
- Want to get more involved in APG’s Federal advocacy efforts? [Join APG Advocates today.](#)