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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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Affordable Care Act Coverage In Spotlight Amid Proposed Rule Changes And Congressional Scrutiny

With the Affordable Care Act (ACA) marketplaces already absorbing the impact of expired enhanced premium tax credits (EPTCs), ([Washington Update](#), January 16, 2026), they now face consequential proposed [federal rule](#) changes and [congressional scrutiny](#) aimed at rooting out potential fraud. At the same time, shifting consumer purchasing patterns could signal further changes

that may alter the ACA's market for [qualified health plans](#) over the long haul.

The proposed rule unveiled this week for 2027 by the Center for Medicare & Medicaid Services would make [multiple changes](#) in the ACA plan market, ranging from expanding access to catastrophic plans with steep out-of-pocket costs to codifying various provisions of the H.R. 1 law enacted last year. Among the latter are restricted eligibility for marketplace coverage, including for lawfully present immigrants. In the name of providing regulatory relief for insurers, [standardized plan options](#) would no longer be required and there would be no limit on the number of non-standardized options — all changes that would make it harder for consumers to comparison-shop among plans. The government is also seeking input on further changes in that would require consumers to submit far more information — and require exchanges to complete pre-enrollment verification — before a consumer could receive premium tax credits to help defray coverage costs.

Purchasing shifts: Collectively, the proposed changes would introduce more Trump-backed features to the ACA market on top of the effects created through the elimination of the EPTCs. With those subsidies gone, more consumers now [appear to be buying](#) more bronze and catastrophic plans with significantly higher deductibles, exposing themselves to very high out-of-pocket expenses. Meanwhile, House Republicans this week subpoenaed eight major health insurers seeking detailed information on the program's standard premium subsidies, enrollment practices, and health insurance broker compensation as they seek evidence of fraud. It has become an article of faith among some in the GOP that the ACA is rife with fraud in the wake of a Government Accountability Office [report](#) issued last year that showed a small number of fictitious applicants have obtained fully subsidized ACA coverage, among other minor vulnerabilities that the agency had identified over the years.



Lawsuit Brought By Health Groups Over Trump Administration's Vaccines Actions Advances

A federal District Court in Boston is hearing arguments today in a lawsuit aimed at barring multiple Trump Administration vaccines actions since last year ([Washington Update](#), July 11, 2025). Today's hearing bears on an [amended complaint](#) filed by the American Academy of Pediatrics and other health and public health groups to halt the administration's most recent decisions to amend the childhood vaccination schedule ([Washington Update](#), January 9,

2026). Their petition asks the court to set aside these decisions, declare unlawful the administration's recent appointments to the Centers for Disease Control and Prevention's Advisory Committee on Immunization Practices, and halt ACIP from conducting any further public meetings.

“Friends of court” support: Well over 100 medical and public health groups, public health deans and scholars, and the [Robert Wood Johnson Foundation](#) have now filed multiple [amicus](#) briefs in support of the underlying lawsuit against the administration's vaccines actions. APG and the American Association of Immunologists also filed an [amicus](#) brief endorsing the lawsuit, arguing that vaccines as key preventive medicine tools are “a central pillar of value-based care” and that “the newly constituted ACIP has rapidly adopted positions adverse to consensus vaccine science,” threatening the public's health.

Regardless of how the court rules on the arguments presented today, the lawsuit is expected to proceed for months through appeals and could ultimately end up at the Supreme Court. APG will continue to keep members apprised of the results.



Latest Shakeup at HHS Elevates Center for Medicare Lead Chris Klomp To Broad New Role

In a major leadership [restructuring](#) at an agency already in flux, Health and Human Services Secretary Robert F. Kennedy Jr. this week named [Chris Klomp](#) to oversee all operations at HHS. Klomp was appointed last year as the Director of Medicare and deputy administrator at CMS and will retain those key roles even as he takes on new ones. He will also serve as chief counselor to the department and the de facto chief of staff, with senior policy and operations officials reporting to him — effectively centralizing much authority within HHS. Deputy Secretary Jim O'Neill and General Counsel Michael Stuart will also leave their current roles and the agency's chief of staff, Matt Buckham, is moving to a new role as senior counselor for operations, presumably reporting to Klomp.

The reorganization follows months of leadership turnover and internal friction within the department, along with a major proposed reorganization months in the making that was ultimately blocked by Congress. It also comes at a delicate moment, as HHS and CMS seek to manage proposed Medicare Advantage payment changes; Medicaid and Affordable Care Act reforms; major new pharmaceuticals programs; turmoil at the National Institutes of

Health and Food and Drug Administration; and controversial vaccine shifts.



In Case You Missed It

- **Major health plans operating in Medicare Advantage, Medicaid, and commercial markets pledged this week to align their payment models with CMS's ACCESS Model**, signaling growing multi-payer momentum behind outcomes-based, technology-supported chronic care. The model's 10-year performance period begins in July 2026, and the participating health plans have committed to offering ACCESS-aligned payment arrangements by January 2028.
- **A total of 13 million people will lose Medicaid coverage under provisions of H.R. 1, and per-person costs will rise as enrollees become sicker**, according to a Congressional Budget Office [analysis](#) released this week. The analysis projects that average federal spending per enrollee will rise substantially over a decade by 37 percent for each aged enrollee and 53 percent for each child — at least in part because program changes will cause millions to delay care, so that those who remain enrolled will be sicker as a result.
- **APG member organization CenterWell plans to add about 70 primary care clinics this year**, expanding its network to more than 400 clinics, executives of Humana, CenterWell's parent, said in an [earnings call](#) this week.
- **CMS should undertake reforms aimed at encouraging more active decision-making by Medicare beneficiaries to enroll in traditional Medicare or Medicare Advantage (MA)**, the Paragon Health Institute argues in a [new policy brief](#). Also proposed are additional changes in site-neutral payments and new ways to set MA spending benchmarks.
- **The nation's largest vertically integrated health care companies would have to spin off or separate their insurance, pharmaceutical benefit management, and provider divisions under legislation** introduced this week by Senators Elizabeth Warren (D-MA) and Josh Hawley (R-MO).
- Amid ongoing public debate over vaccine safety, [new research](#) has found **no association between mRNA COVID-19 vaccination during or immediately before pregnancy and autism or other neurodevelopmental disorders in children**. The study was presented this week at the Society

for Maternal-Fetal Medicine's 2026 Pregnancy Meeting in Las Vegas.



APG Announcements And Offerings

- Registration is 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. Please visit our [Spring Conference 2026 sponsor website](#) and reserve your space today.
- Want to get more involved in APG's Federal advocacy efforts? [Join APG Advocates today](#).

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