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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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New Fraud Measures Hit California Medicaid And Home And Hospice Care Nationwide in Medicare

The Trump administration's Medicaid fraud crackdown in California [intensified](#) this week as the Centers for Medicare & Medicaid Services (CMS) [announced](#) the largest-ever deferral of federal funding — \$1.3 billion — to a state, largely over charges of widespread hospice fraud. At the same time, CMS announced a six-month nationwide moratorium on new Medicare enrollments for hospice and home health providers, temporarily halting the addition of new providers while the agency expands investigations and removes providers tied to suspected fraud.

Political timing: The moves came ahead of midterm elections and a hotly contested California Governor's race, and as key administration officials, including Vice President JD Vance, said the state was not doing enough to combat fraud in Medicaid. The actions build on earlier administration efforts targeting Medicaid provider oversight and fraud vulnerabilities in hospice arrangements ([Washington Update](#), April 24, 2026), while signaling a widening anti-fraud federal effort in Medicare as well.

CMS Administrator Mehmet Oz, MD, MBA, [described](#) the deferral of \$1.3 billion in California Medicaid reimbursements as the largest payment deferral that CMS has yet imposed on a state. The action followed [CMS's recent requirements](#) that states submit plans for a "swift revalidation of all high-risk Medicaid providers" by May 7 and "develop and submit a comprehensive two-year provider revalidation (PR) strategy" within 30 days (June 5). California has not yet complied with the first request and has previously [argued](#) that the state's large growth in Medi-Cal spending reflects "the expansion of access to services that CMS itself has encouraged states to pursue for decades." Officials with the National Health Law Program, a nonprofit legal and policy advocacy organization focused on the low-income and underserved, [decried](#) the fraud allegations and federal funding freeze as "an unsubstantiated, cruel justification for deeply unpopular trillion-dollar Medicaid cuts" from last year's reconciliation law and "a dangerous attack on Medicaid home and community-based services (HCBS) and the Californians who rely on them."

As for the nationwide moratorium on new Medicare enrollments of hospice and home health providers, the National Alliance for Care at Home said in a [statement](#) that fraud in these services is not widespread but is instead concentrated "in specific geographies and among specific actors," and that it has previously [called on CMS](#) to use its existing authorities to more carefully vet and verify the identities of provider applicants when they seek to enroll in Medicare. Coincidentally, and in a separate dispute, the Health and Human Services (HHS) Office of the Inspector General [criticized](#) CMS this week for "unclear Medicare requirements" in documentation, coverage, and billing that led to clashes with providers over inpatient rehabilitation facility payments.



**Different Facets Of
Trump Administration
Health Policy On Display
Amid More Changes To Come**

In a week when yet another high-profile appointee exited amid controversy, a key Trump administration health official extolled the importance of “trust” and said more changes were in store – potentially heralding more upheaval even amid efforts to steady a listing ship.

Speaking at a Duke-Margolis Health Policy Institute [conference](#), HHS Chief Counselor Chris Klomp, who now oversees the department's operations, told the audience this week that “You will see a series of changes as we focus more and get more precise in our execution.” He did not elaborate but then moved to a discussion of public expectations of government agency performance. Noting that he had family members who had worked at the Centers for Disease Control and Prevention, he cited the importance of that agency's role, and how the public in previous years had much faith in it and other HHS agencies. “We knew FDA [the Food and Drug Administration] was going to be on the leading edge...NIH [the National Institutes of Health] was going to do the best science with the smartest people, and government was going to fund that research, and CMS was going to be there to pay for it all. That only works if you have trust...I am focused on that metric at every level of our career team.”

Trust but verify: Klomp's remarks resonated with an audience keenly aware of such issues as an [acute slowdown](#) in NIH grantmaking and [polling](#) showing declining public trust in the independence of key health agencies. But Klomp clearly has his work cut out for him. His remarks came a day after FDA Commissioner Marty Makary resigned after a [tumultuous tenure](#) at the agency and battles with a broad range of FDA stakeholders, with the breaking point coming over the administration's pressure on FDA to [authorize](#) the sale of fruit-flavored e-cigarettes. According to [multiple news reports](#), Makary balked at the move before ultimately yielding, fearing it would only exacerbate an [epidemic](#) of youth vaping. With the agency temporarily being led by an acting commissioner, [Kyle Diamantis](#), Klomp is now leading the search for Makary's successor.

Meanwhile, multiple other senior positions at HHS agencies remain vacant, as President Trump's nominees to lead the CDC ([Washington Update](#), April 17, 2026) and serve as Surgeon General ([Washington Update](#), May 1, 2026) await Senate confirmation hearings. And despite at least some effort by the Trump administration to tamp down on his anti-vaccine actions and rhetoric, HHS Secretary Kennedy has orchestrated a broad research effort across the department to examine his “long-held theory that vaccines are helping to fuel an epidemic of chronic disease” and are a **“potential culprit”** in various neurological and autoimmune disorders,” multiple sources told the [New York Times](#).



House Panel Advances Bill Delaying Mandatory Digital Quality Reporting For Medicare ACOs

Proposed [legislation](#) backed by APG that would delay mandatory electronic clinical quality measure (eCQM) reporting requirements for Medicare Shared Savings Program ACOs was among [ten health care measures](#) marked up by a key House subcommittee this week. The bill, which will now go to the full House Energy and Commerce Committee for approval, would allow ACOs to continue using existing Medicare CQMs, MIPS CQMs, as well as eCQMs during a transition period until 2029, while establishing a pilot program beginning in 2028 to test digital quality reporting with technical assistance from CMS.

The legislation would give physician groups and accountable care organizations additional time to prepare for the transition to fully digital quality reporting and help avoid disruptions tied to the fact that many electronic health record systems are still not able to capture and transmit required data in CMS-compatible formats. APG supports the bill's provisions as an appropriate way station while CMS continues moving toward broader digital quality measurement.



In Case You Missed It

- Twenty-nine organizations, including health systems, physician groups, EHR companies, and health technology firms, are participating **in a new [CMS effort to address electronic prior authorization workflow](#)** and implementation challenges ahead of [federal requirements](#) that take effect next year.
- The Office of the National Coordinator for Health IT is “actively exploring options” for **more oversight by the [nonprofit government contractor](#) that coordinates much of the nation’s system of electronic health records-sharing**, according to a [report](#) in the *Washington Post*. The report comes amid a [legal battle](#) in which Epic and multiple health care providers charge that patients’ records were stolen and sold for profit.

- Federal officials are considering [changes](#) that could **relax oversight requirements for AI-enabled health care tools**, potentially accelerating adoption of AI clinical documentation software while raising new concerns about patient safety, documentation accuracy, and clinician oversight.
- **Clive Fields, MD, former chief medical officer of VillageMD and a former America's Physician Groups board member, will chair a new Trump administration advisory committee** focused on "Make America Healthy Again" initiatives and broader HHS and CMS policy priorities, with the panel set to hold its first public meeting May 18.
- **Congressional Democrats are moving to overturn the Education Department's new graduate student loan limits** amid concerns that the [rule](#) could worsen health care workforce shortages by restricting borrowing options for nursing and other advanced practice provider students.
- **Prescriptions for mifepristone, one of two drugs used in medication abortions, can continue to be sent by mail** as litigation proceeds, the Supreme Court [ordered](#) this week.
- **CDC officials said there is low risk to the general public from the recent hantavirus outbreak** linked to an Antarctic cruise ship as monitoring and containment efforts continue.
- **Forty percent of U.S. adults get their health information from influencers or podcasts**, a [Pew Research Center survey](#) shows.



APG Announcements And Offerings

- Please plan to join the APG Spring Conference 2026 preconference session on May 27, ***From Awareness to Action: Preparing for the CMS Innovation Center's New Alternative Payment Models***, to explore what these models could mean in practice and how organizations are approaching participation decisions. View the full [agenda](#) for the conference — ***Delivery, Dollars, And Determination: Challenges and Opportunities In Accountable Care***, to be held May 27-29 at the Marriott Marquis San Diego Marina — and [register now](#).
- **Sponsorship is still open for the Spring Conference.** Please visit our [Spring Conference 2026 sponsor website](#) and reserve your space today.

- APG will host a sponsored webinar about the "**APG Group Purchasing Program (GPO)**" on Wednesday, June 17, at 2:00 pm ET. Four companies participating in APG's GPO — Altura, COPE Health Solutions, Una, and Ventegra — will present on their offerings and special pricing for APG members. Please register [here](#).
- Want to get more involved in APG's Federal advocacy efforts? [Join APG Advocates today](#).

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