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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.

## Table of Contents



## New Medicaid Work Requirements Get Early Test In Nebraska As States Await More Federal Guidance

**Ahead of an interim final rule laying out more detail about what the federal government expects from the states,** Nebraska on May 1 became the first state to begin enforcing Medicaid work requirements under the reconciliation law enacted last year. The Cornhusker state's rollout – launching well ahead of the Jan. 1, 2027 deadline for all states to comply, and to be followed by Montana in July and Iowa in December – will offer previews of the pressures that other states, providers, Medicaid managed care plans, and enrollees will face as broader implementation of the requirements continues into next year.

The "community engagement" requirements, as the law terms them, apply to so-called "able-bodied adults" ages 19-64, implicitly

targeting the population enrolled under the Affordable Care Act's Medicaid expansion or various state Medicaid waivers. To enroll in or remain on Medicaid, these individuals must show that they spend at least 80 hours per month working, engaged in community service, participating in a work program, are enrolled part-time in an educational program, or have specified amounts of average monthly income. Multiple persons are exempted, including pregnant and postpartum women and parents or caretakers of children 13 and younger or disabled individuals.

**Myriad details:** Critical additional exemptions will also apply to "medically frail" individuals, defined under the law as blind, possessing various disabilities, suffering from a serious or complex medical condition, or with a substance use disorder. Nebraska released a 295-page list of applicable conditions to be identified through Medicaid claims, underscoring the sheer complexity involved in fleshing out this exemption along with other aspects of the requirements. It is as yet unknown what further guidance the Centers for Medicare & Medicaid Services will give to states under the forthcoming rule in the form of an expanded definition of medical frailty or other stipulations.

Nebraska has also adopted a complicated schedule for when people must demonstrate compliance with the new requirements, depending on whether they are new Medicaid enrollees or are renewing their coverage. Overall, a new KFF survey reports that states plan to adopt sharply different approaches to verifying compliance with work requirements and determining exemption status, including for hardships such as experiencing natural disasters. Amid the uncertainties, enrollees' confusion, and challenges in gathering and processing the necessary data, it's little wonder that the work requirements portion of the reconciliation law is expected to be the single biggest driver of loss of Medicaid coverage, with the Congressional Budget Office projecting that 5.3 million individuals will lose coverage because of work requirements by 2034.

## The Health Secretary's Colleagues Temper His Zeal To Wean Patients Off Antidepressants

Among his many misleading claims, Health and Human Services Secretary Robert Kennedy, Jr. has long argued that use of widely used antidepressant medications can be as addictive as heroin and is linked to suicide and mass shootings. Now, amid more cautious advice from within his own agency, he is pushing an effort to

"deprescribe" the drugs – and curb new prescriptions by emphasizing multiple alternative approaches, such as more psychotherapy and family support, that the nation appears ill equipped to provide for all in need.

Unveiling a multi-pronged action plan at a "Mental Health and Overmedicalization Summit" organized by the MAHA Institute, Kennedy repeated his past attacks on selective serotonin reuptake inhibitors, the particular class of psychiatric medications that has aroused his ire. Proclaiming "clear and decisive action to confront our nation's mental health crisis by addressing the overuse of psychiatric medications—especially among children," Kennedy said that he would "shift the standard of care toward prevention, transparency, and a more holistic approach to mental health." To assist in deprescribing – although not for children – an accompanying document identified Medicare billing codes that providers could employ in helping patients through the process.

**Clinical nuance**: The secretary's comments appeared to conflict with far more tempered counsel issued this week by other senior administration health officials, who emphasized in a "Dear Colleague" letter that "Psychiatric medications can play an important and, at times, essential role in treatment." Their letter acknowledged that care for mental health conditions should include "meaningful access to evidence-based non-pharmacological interventions," including "psychotherapy, social connection, behavioral approaches, sleep-focused treatments, physical activity interventions, and dietary and nutrition-related strategies." When "a medication is no longer providing meaningful benefit" or leading to adverse effects," they cautioned, "deprescribing decisions should involve active patient participation, and that tapering or discontinuation should be followed by close clinical monitoring."

That guidance was far more in line with comments from the American Psychiatric Association (APA), which said this week that it "welcomes the attention placed squarely on the nation's mental health crisis" but added, "we strongly object to framing the nation's mental health crisis as primarily a problem of 'overmedicalization' or 'overprescribing.' " "The solution is not to stigmatize psychiatric medication or impose broad assumptions on clinical care," the APA's statement continued, "but to ensure that patients have access to the full range of evidence-based treatments and that decisions are guided by the best available science and each patient's needs."

## In Case You Missed It

- **CMS Administrator Mehmet Oz outlined new efforts to streamline prior authorization,** including broader adoption of electronic prior authorization and tighter response deadlines on prior authorization requests in Medicare Advantage and Medicaid.
- **CMS's ACCESS Model could trigger a rapid expansion of technology-supported care companies into traditional Medicare beginning this summer,** while raising questions about patients' digital literacy, physician adoption, and clinical outcomes for older beneficiaries, according to a new analysis in *Health Affairs Forefront*.
- **Eligible Medicare Part D beneficiaries will be able to access certain GLP-1 medications for $50 per month beginning July 1, 2026 through the end of 2027 under a new time limited demonstration, "Medicare GLP-1 Bridge",** designed to expand affordable access to the high-cost weight-loss and diabetes treatments.
- **Federal immigration officials have exempted foreign-born physicians from a green card and work permit processing freeze** tied to the Trump administration's expanded travel restrictions, allowing applications to resume amid concerns about worsening physician shortages, particularly in rural areas.
- Echoing previous administration efforts to scuttle publication of studies presumed favorable to vaccines, **the Food and Drug Administration blocked publication of several agency-led studies that found serious side effects were rare** following use of COVID-19 and shingles vaccines.
- **Health care costs remain voters' top health concern heading into the 2026 midterms,** including among supporters of the "Make America Healthy Again" movement, according to a new KFF poll that also found many voters share MAHA-related concerns about food safety and corporate influence.

## 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 Marina in San Diego — and register now.

- **Sponsorship is also open for the Spring Conference.** Please visit our Spring Conference 2026 sponsor website and reserve your space today.
- APG will host the following webinars and other sessions in the coming weeks:
    - A members-only sponsored webinar presented by Genentech, Inc: "**Highlights from the 2026 Trends in Specialty Drug Benefit Report**" on Tuesday, May 12, 4:00 p.m. ET. Members may contact Lura Hawkins at lhawkins@apg.org to register.
    - 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.