AMERICA'S PHYSICIAN GROUPS

WASHINGTON UPDATE

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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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As The Midterm Elections Close In, Parties And Partisans Frame Campaign Focus On Health Care

With just seven weeks until mid-term elections – and even less time before early voting begins in many states – Democrats and Republicans alike are honing their messages on key health care issues, starting with affordability. Here's a snapshot:

- Seeking to blunt criticism over expiration of the Affordable Care Act's enhanced premium tax credits (EPTCs) last year, President Trump this week offered a small consolation prize: $500-per-person refunds to roughly 1 million ACA health plan purchasers in 30 states that use the federal Healthcare.gov exchange. The money would come from what the administration labeled "overcharges" of user fees that the federal government levies on health insurers that list their qualified health plans for sale on the exchange.

Described in a White House fact sheet as "refunding these excess fees to Americans who do not receive premium assistance under the Unaffordable Care Act," the checks appeared to be aimed at some of the relatively higher-income people – those earning above four times the federal poverty level – who lost access to premium tax subsidies when the EPTCs expired.

In fact, rather than being "overcharges" that Trump blamed on the Biden administration, analysts said the funds appear to have accumulated because the administration in both Trump terms throttled back on activities aimed at expanding coverage, such as hiring navigators to help people sign up for ACA plans. And since the expiration of EPTCs contributed to an estimated 3 million people dropping ACA coverage this year, $500 is unlikely to close much of a gap in what they now pay for health insurance, if they have it.

- Meanwhile, in expectation of taking control of at least the House of Representatives as of the elections, multiple news reports say that Democratic leaders are preparing a list of priorities that includes reversing the Medicaid cuts in the 2025 reconciliation law and reinstituting the EPTCs. Although these objectives will remain long shots as long as Trump is president, they are part of a broader campaign initiative focused on affordability across multiple areas, including housing, childcare, groceries and food.

  Democrats point to threats of declining health care access as the finances of rural hospitals continue to weaken, as well as of the effect that expiration of the EPTCs had in boosting premiums broadly for ACA plans. As an Urban Institute analysis has shown, premiums of even heavily subsidized ACA silver plans rose by more than 20 percent in 2026 as health insurers set rates on the expectation that the enhanced subsidies would expire and that newly adopted federal regulations would shrink insurance pools and further destabilize the ACA markets.

Congress To Tackle Some Key Health Care Matters Next Week During Brief Washington Stay

Both the House and Senate will return to Washington next week for short work periods before returning to their states and districts pre-

elections. Multiple health care-related items on their agendas, as follows:

- **Three nominees for key roles** will face Senate hearings: Chris Klomp, the nominee for deputy secretary of the Department of Health and Human Services on Sept. 15 and 16 before the Finance and Health, Education, Labor, and Pensions (HELP) committees; and Nicole Saphier, the surgeon general nominee, and Timothy Westlake, nominee for assistant director of the Substance Abuse and Mental Health Services Administration, before the HELP committee on Sept. 16. All are likely to be questioned about their plans for their respective agencies, the administration's Make America Healthy Again agenda, and their operational independence from HHS Secretary Robert F. Kennedy, Jr., and other administration leaders.

- **House members will tackle Medicare payment reform** during a House Energy & Commerce health subcommittee hearing on several health care bills on Sept. 15. One measure largely supported by APG would tie annual Medicare physician payment increases more closely to inflation and boost incentives for clinicians participating in advanced alternative payment models (*Washington Update*, July 17, 2026). Despite its support for the thrust of the legislation, APG urged members to reject the use of broad Medicare Advantage (MA) payment reductions as a budgetary offset to pay for its provisions, and instead target documented sources of overpayment such as unlinked chart reviews.

  Other Medicare payment reform bills on the committee's hearing schedule (H.R. 8163, H.R. 8622, and H.R. 7863) would tackle issues such as the budget neutrality requirements that govern any increases in the Medicare physician fee schedule; establish a new "Data-Driven Performance System" proposed by the American Medical Association to replace the current Merit-Based Incentive Payment System (MIPS); and raise payment for certain high-cost office-based surgical procedures by linking them to 90 percent of the rates paid to ambulatory surgery centers. Under the latter proposal, backed by multiple surgical and interventional specialist societies, any office-based surgical procedure for which the direct supply and equipment costs exceed $500 would be eligible for the enhanced reimbursement rates.

In Case You Missed It

- **Flawed spending comparisons between Medicare Advantage (MA) and traditional Medicare fail to capture the spectrum of costs, savings, and value of the MA program**, argue Susan Dentzer, President and CEO, America's Physician Groups, and Mary Beth Donahue, President and CEO, Better Medicare Alliance, in a new BMA blog post. They contend that proposals to slash MA spending could harm the APG physician groups that have demonstrated superior outcomes for patients under two-sided risk models in MA.

- **Medicare Part D spending is soaring, with greater instability for the program ahead** as premiums rise sharply and standalone Part D plans dwindle in number, a new report from the Medicare Payment Advisory Commission (MedPAC) says. Amid double-digit annual spending growth across multiple therapeutic classes of drugs, just six percent of enrollees with the highest tabs for drugs accounted for 60 percent of total Part D drug spending in 2025.

- **The "medical frailty" provisions of new Medicaid work requirements proposed in the recently issued interim final rule constitute an "unfunded mandate**" that will create a significant administrative burden on physicians and other providers, argues the House Democratic Doctors Caucus in a letter to Mehmet Oz, MD, administrator of the Centers for Medicare & Medicaid Services (CMS).

- **The arbitration firms that adjudicate billing disputes under the No Surprises Act are under fire** as Rep. Frank Pallone (D-NJ), ranking member on the House Energy & Commerce committee, requests information from six firms as to how they determine claim eligibility and payment amounts. As dispute awards to out-of-network providers have soared to as much as five to eight times Medicare rates, so have consumers' out-of-pocket costs, Pallone wrote.

- Bearing out earlier forecasts, **for-profit Medicare Advantage plans offered by companies such as United Healthcare and Humana are scaling back some benefits and continuing withdrawals from less profitable markets for 2027,** news reports indicate. Axios quotes a Leerink Partners analyst as observing that common strategies include "removing 'giveback' benefits that pay part of beneficiaries' Part B premium, cutting major dental benefits, increasing copays for specialist care, as well as changing out-of-pocket

drug costs."

- The Centers for Disease Control and Prevention says on its website that the National Center for Health Statistics (NCHS) "does not currently have any death records from 2026 that indicate measles is the underlying cause," and that it is **working with the Council of State and Territorial Epidemiologists to develop "a standardized case definition for deaths due to measles"** to promote consistent classification and reporting of measles deaths across jurisdictions. The announcement comes in the wake of disputes over two infant measles-related deaths in Pennsylvania (*Washington Update,* Sept. 3, 2026).

APG Announcements And Offerings

- APG and other providers organizations will be on hand on Sept. 15 at HHS in Washington for the official launch of the new ACCESS model, which seeks to link Medicare patients with technology-supported services for four chronic conditions. Some APG member organizations are now actively exploring linkages with the tech firms participating in the model. For information about the event, email CMS_Event_IC@cms.hhs.gov.
- **Registration is now open** for the **APG Fall Conference 2026 - From Policy To Practice: *What's Next For Accountable Care?*** to be held November 18-20 at the Gaylord National Resort and Convention Center in National Harbor, Maryland near Washington, DC. Register now for Early Bird savings ending Friday, October 9.
- **Sponsorship registration** is also now open for the Fall Conference. Please visit our Fall Conference 2026 sponsor website for more information about sponsorships and exhibitor opportunities.
- Join the APG hosted webinar titled **"Intercepting Chronic Disease: Utilizing Preventive Diagnostics to Improve Patient Population Health,"** on **Tuesday, September 22, 3:00pm ET** presented by Quest Diagnostics. The webinar is open to the public. Register **here**.
- Learn more about **APG's Group Purchasing Program,** where a variety of companies are offering special pricing to APG members during a webinar on **Thursday, September 24, 2:00 pm ET.** Register **here**.
- The APG hosted webinar titled **"Implementing evidence-based guidelines for Cardio-Renal-Metabolic patient populations,"** presented by Boehringer Ingelheim, will take

place **Tuesday, November 10, 2:00 pm ET**. The webinar is open to the public. Register **here**.
- **Want to get more involved in APG's Federal advocacy efforts?** Join APG Advocates today.

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