

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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Work Requirements On Medicaid Enrollees Who Are Medically Frail Blocked By Federal District Court Judge

Ruling in favor of a coalition of states led by Democrats, a Boston federal District Court judge this week blocked provisions in a federal rule that could have required even seriously ill individuals to meet new Medicaid work requirements or lose their coverage. Although the new work requirements on the Medicaid expansion population will still go into effect nationally in January, they will do so without a pernicious new twist in the regulation that aimed to remake the very definition of what it means to be "medically frail."

APG was among many organizations that had sharply critiqued these now-blocked provisions of the proposed rule, which went beyond language in the underlying 2025 reconciliation law that designated specific categories of medically frail individuals who were exempted from meeting the work requirements. These

included individuals who were blind and disabled, had disabling mental disorders, or who had a serious and complex medical condition, among others. But the proposed rule said that just having a serious and complex medical condition wasn't enough, and that even those with cancer or other advanced illnesses would have to prove that their conditions were so severe that they could not work as a condition of maintaining their Medicaid coverage. APG argued that this proposed change was repellent and illegal, and that physicians would inevitably be drawn into the process of determining whether very sick people could work in violation of their duties to patients and medical ethics.

Uncertainties: All states are now trying to determine precisely what the judge's somewhat confusingly written decision means for their Medicaid eligibility and enrollment systems and compliance over the near term. For example, for six months, the government is apparently barred from sanctioning any of the 25 states that brought the lawsuit from failing to cut off Medicaid coverage from anyone claiming a medical frailty exemption, but it's unclear how the ruling applies for that period in other states. Meanwhile, there is already evidence that the reconciliation law's changes are taking a toll. After Nebraska became the first state to adopt work requirements last May, more than 600 Medicaid enrollees lost coverage for failing to meet work requirements, while 14 percent of individuals newly applying for Medicaid coverage and 7 percent of those seeking to renew it were denied it for failure to respond to requests for additional information. The Congressional Budget Office estimated last year that more than 5 million individuals would ultimately lose coverage and become uninsured due to the work requirements provisions of the reconciliation law alone.

APG's Medicaid and Dual Eligibles Coalition will discuss the further implications of the court decision and APG's ongoing advocacy on Medicaid changes at the forthcoming APG Fall Conference 2026. Please see this link for more information and/or register here to attend the conference.

"Lame Duck" Congressional Session Post Mid-Term Elections May Or May Not Happen As The Defeated Fly The Coop

Congress has long had an on again, off again embrace of "lame duck" legislative sessions following the biannual November elections, although they have become common in the last quarter century. But whether one of any duration will occur this year is one of many uncertainties ahead of the elections next week. The reason:

On top of at least 79 current House members and 12 senators who will not be serving in Congress as of January – due to primary losses, retirements, or their decisions to run for other offices – any incumbents defeated in next week's elections will have little incentive to return to Washington, even for the short haul. This situation in turn casts doubt over the immediate future of multiple health-care-related provisions that many lawmakers had hoped to enact before the 119th Congress comes to its end.

Provisions in peril? Among the measures that now hang in the balance are multiple ones that APG has supported, including extension of a temporary 2.5 percent bump in Medicare clinicians' fees that Congress adopted for 2026. Others are extension of Medicare's Advanced Alternative Payment Model bonuses beyond the current performance year; funding for community health centers, postponement of scheduled Medicare cuts in clinical lab fees, and reauthorization of public health and preparedness programs under the Pandemic and All Hazards Preparedness Act. Many other items on lawmakers' wish lists, such as sweeping health care transparency legislation, also now stand in a highly uncertain queue for passage.

One clear action item that does lie ahead post-election is extending the current continuing resolution (CR) that has kept the government funded at 2026 fiscal year levels since September, and that will expire on December 11. Any must-pass extension of a CR to avoid a government shutdown could serve as a vehicle for enacting other measures, but the pull to pass a relatively "clean" CR without other controversial elements is likely to be strong. A fight could also loom over the Trump administration's proposed $87 billion supplemental budget request for fiscal 2026, with $67 billion of the package earmarked for defense amid an ongoing, unpopular, and stalemated war. And it is unclear when government appropriations will be finalized for the 2027 fiscal year, which technically began on Oct. 1.

APG will continue to monitor the action in the post-election period, advocate for its priorities, and keep members informed.

In Case You Missed It

- **The voluntary Cell and Gene Therapy Access model, which negotiates pricing arrangements with manufacturers and states to spread advanced treatments and cures in Medicaid, will be expanded into other disease conditions** beyond sickle cell disease (SCD), the Center for Medicare and Medicaid Innovation (CMMI) announced this week. The

announcement came after release of an evaluation that showed that the initial arrangement around sickle cell therapies led to successful pricing arrangements with about two-thirds of the states, which in turn insure 84 percent of Medicaid patients with SCD.

- **New requirements on Affordable Care Act exchanges to verify consumers' eligibility for subsidies to help them purchase coverage were finalized** by the Centers for Medicare & Medicaid Services (CMS), implementing changes required under the 2025 reconciliation law.

- **Centene is now the third major insurer to sue the Department of Health and Human Services (HHS) and Centers for Medicare & Medicaid Services (CMS) over cuts to its 2027 Medicare Advantage Star Ratings**, following similar claims brought by Alignment Health and Healthfirst. Centene argues that the agency unlawfully included 17 measures in calculating the ratings that were the subject of a lawsuit from Clover Health earlier this year, and that forced the agency to recalculate Star Ratings for 2026.

- **The Centers for Disease Control and Prevention's deputy director and chief medical officer, Jennifer Shuford, MD, an infectious disease physician, is leaving the agency** after just four months in the position. The change, announced in an internal email by CDC director Erica Schwartz, MD, continues the personnel upheavals that have plagued the agency for well over a year.

- **Six unapproved peptides marketed to treat conditions such as osteoporosis and migraines can be sold by compounding pharmacies under a policy** released this week by HHS. The measure, pushed by HHS Secretary Robert F. Kennedy, Jr., circumvents the Food and Drug Administration, which has been reviewing the products but not yet approved them for use.

- **A new independent, bipartisan Preventive Health Science Commission (PHSC) should be created to issue guidelines and recommendations related to diet and nutrition, vaccines, and preventive services**, with five members appointed by the president and confirmed by the Senate, according to a new report from the left-leaning Center for American Progress. The report argues that "it is time for progressives to reclaim leadership on these public health issues" that have been overtaken by the Trump Administration's "Make America Healthy Again" agenda.

- **Humana will enter into a joint venture with the investment firm BlackRock to manage and operate its**

CenterWell primary care clinics for older adults, the company has announced, in a move said to "reinforce CenterWell's position as the nation's largest senior-focused primary care provider." CenterWell is an APG member organization and a member of its Board of Directors.

- **An AI-based system developed by APG member COPE Health Solutions – aimed at streamlining the core components of Medicare's Annual Wellness Visits so that physicians can do more of them** – is one of eight finalists selected to present at CMS's QualTech industry event on Nov. 9, 2026. (The event is a closed session and not open to the public.)



APG Announcements And Offerings

- Please register now 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.
- **Also, please visit our Fall Conference 2026 sponsor website for more information** about sponsorships and exhibitor opportunities.
- The APG hosted webinar, "**Preventing Diabetic Ketoacidosis (DKA) in Type 1 Diabetes: Early Screening for At-Risk Populations**," presented by Sanofi, will take place on **Thursday, November 5, 2:00 pm ET**. Please register **here**.
- APG members are invited to an **APG Pharmaceutical Care Forum**, which will take place on **Tuesday, December 1, 8:00 am - 3:00 pm PT**, in Irvine, CA. For more information or to register, APG members may contact Norma Springsteen at nspringsteen@apg.org.
- **Want to get more involved in APG's Federal advocacy efforts?** Join APG Advocates today.

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