

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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Victorious Democrats Cite Health Care Priorities As Key To Addressing Voters' Affordability Concerns

This week's electoral seismic shift flipped the U.S. House and Senate decisively from Republican to Democratic, ushered in five more Democratic governors (for a total of 29), and shifted at least 10 more state legislatures into Democratic hands. The key question will be how Democrats deliver on the pro-affordability agenda that appeared to be uppermost on voters' minds even as the Republican president, Donald Trump, remains in the White House.

Democratic leaders wasted no time laying out their key health care priorities for when they take control in January. "We're going to fight hard to make sure that we can ensure that every single American can afford to go see a doctor when they need one," said Rep. Hakeem Jeffries (D-NY), now in line to become House Speaker. Senate Finance Committee Democrats will "create a new foundation for America's health care system that guarantees health

care for all, gives Americans cheaper and better health care, and ends the corporate chokehold on our nation's health care system," said ranking member Sen. Ron Wyden (D-OR), who will once again chair the panel in the next Congress.

Punchlist? At the top of Democrats' to-do lists on health care are extending the Affordable Care Act's enhanced premium tax credits that expired last year and working to reverse cuts in Medicaid and ACA coverage in the 2025 reconciliation law. They also intend to force disclosure of details of agreements that the Trump administration has signed with pharmaceutical manufacturers, ostensibly to lower drug prices in Medicaid. They are likely to, at a minimum, investigate officials such as Health and Human Services Secretary Robert F. Kennedy, Jr. and his efforts to overhaul federal vaccine recommendations and undermine use of vaccines. Democrat Annie Andrews, a pediatrician newly elected to the Senate in South Carolina and one of 18 physicians just elected or reelected to Congress, has pledged to "lead the charge" to impeach and remove Kennedy.

But already casting a pall on post-election exuberance are differences among Democrats as well as the practical legislative realities. Electoral gains were roughly equal between moderate and progressive Democrats, a fact that is likely to portend differences over sweeping proposals such as Medicare for All, which is backed by progressives such as Michigan's new senator-elect, Abdul El-Sayed. In an apparent nod to political realities, Sen. Bernie Sanders (I-VT), who is likely to resume chairmanship of the Senate Health, Education, Labor and Pensions (HELP) committee and a longtime Medicare for All adherent, this week endorsed an interim step: Using the reconciliation process, which would require just 51 votes for passage, to lower the Medicare eligibility age to 55 from 65 and add dental, vision, and hearing benefits to the traditional program. Such a plan would still preserve employer-provided insurance and other means of health coverage and level the playing field between traditional Medicare and Medicare Advantage, an approach that more moderate Democrats may be able to support.

Looming over all is the fact that Donald Trump remains President, wielding the powerful legislative veto and already threatening to use it as needed. The president said this week that he would work with Democrats "unless they want to be destructive," potentially signaling his concern about the multiple other investigations that Democrats want to pursue over corruption and other concerns. But amid his new lame-duck status and electoral repudiation, predicting the mercurial president's response to these new realities seems premature at best. APG will spend the coming weeks contacting both longtime and newly elected lawmakers and their staffs and continuing to advance members' interests in value-based care as integral to greater health care affordability.

Medicare Physician Fee Cuts, Other Changes Finalized In New CMS Regulations

With the midterm elections in the rear-view mirror, the Centers for Medicare & Medicaid Services (CMS) got back to business this week, issuing final regulations in multiple areas and signaling that more actions lie ahead. Among the most notable:

- The final Medicare Physician Fee Schedule rule for calendar 2027 will cut overall Medicare clinician fees by roughly 2 percent, even as it makes other changes more favorable to the interests of APG members. For clinicians participating in qualified Alternative Payment Models, the conversion factor governing fee cuts will be 1.8 percent, while fees will fall 2.3 percent for those not in these models. These cuts were larger than those in the initial proposed rule and necessitated by law to offset other changes that will raise spending. Among the more welcome is a change in the add-on code for medical complexity that will hike payments for evaluation and management visits by 32 percent for clinicians participating in Medicare Shared Savings Program (MSSP) or Long-term Enhanced ACO Design (LEAD) accountable care organizations. CMS also delayed until 2029 a requirement that remote physiologic or therapeutic monitoring services be delivered by a practice's clinical staff and not third-party vendors to be eligible for Medicare payment. **APG will hold a members-only virtual briefing on the rule on December 2 (more details will be forthcoming).**

- A final rule on the Medicare Drug Price Negotiation Program and Part D benefit spells out that the agency will identify up to 20 new drugs for negotiations over prices to take effect in 2029, the fourth annual cycle of negotiations under the 2022 law. So far, 25 drugs are subject to negotiated prices in Part D and 15 more are in the pipeline for 2028. In establishing a permanent regulatory framework over the price negotiation program, the rule also closes a loophole that could allow pharmaceutical manufacturers to potentially game price negotiations by adopting slightly altered formulations of existing drugs.

- Touting a deregulatory agenda, CMS also rolled back numerous Medicare and Medicaid conditions of participation, including through controversial steps that patient safety advocates fear could prove harmful in areas such as hospital obstetric care. The agency also furthered the

administration's anti-vaccine agenda by removing requirements to educate staff in long-term care and intermediate care facilities for those with intellectual disabilities about the benefits and risks of COVID vaccines.

Major final rules are also expected to released soon for the Comprehensive Regulations to Uncover Suspicious Healthcare (CRUSH) anti-fraud proposed rule; the 2028 Medicare Advantage and Part D proposed technical rule; and proposed rules implementing Medicaid state-directed payments and provider tax provisions of the 2025 reconciliation law. APG will keep members apprised of these developments.



In Case You Missed It

- **CMS administrator Mehmet Oz, MD, MBA, said last week's decision by a federal district court in Boston blocking a regulatory provision governing medical frailty provisions of the 2025 reconciliation law (*Washington Update*, October 30, 2026) will be appealed** by the Trump administration. The rule would have required seriously ill Medicaid beneficiaries in expansion states to prove that they were too sick to be subject to new work requirements in the law.

- **A Maryland federal district judge this week issued a temporary restraining order blocking the administration's effort to bar new agents and brokers from offering Affordable Care Act marketplace coverage** to customers for 2027. The judge said that the agents and brokers seeking to bar the government's regulatory action are likely to succeed on the merits of their lawsuit.

- **The American Medical Association has published on its website the record of actions taken over the past five years by its CPT® Editorial Panel on changes to current procedural terminology codes to increase transparency** over the process. The association says the records of all future panel meetings will also be published.

- **Lessons from how physicians perform in risk-based contracts shed light on how the Medicare Physician Fee Schedule could be restructured to incentivize more value-based care in fee-for-service Medicare,** MedPAC chair Amol Navathe, MD, and colleagues write in *Health Affairs Forefront*.

- **Falling rates of vitamin K injections of newborns in the U.S. are associated with a rise in diagnosed uncontrollable brain bleeds in children,** raising "concerns about increased parental rejection of the injections and potential harm to infants," according to a study published this week in JAMA Pediatrics.

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.
- APG members are invited to attend an in-person **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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