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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After Reviews, Full Senate Appears Set To Vote On Key Health Nominees Post Midterm Elections

Key Senate committees considered nominations for two senior administration health positions this week, with one – that of Chris Klomp, the nominee for deputy secretary of the Department of Health and Human Services (HHS) – now set to move forward for a final Senate confirmation vote after the midterm elections. The fate of the second, Heidi Overton, MD, the nominee for commissioner of the Food and Drug Administration, will ride in part on whether she won enough senators over this week in testimony about her support for vaccines and position on abortion medications (*Washington Update*, Aug. 21, 2026).

Pressed on pharma deals: Klomp, currently senior counselor to HHS Secretary Robert F. Kennedy Jr., had already defused some concerns about his nomination through multiple pro-vaccine statements he made in Senate hearings last week (*Washington Update,* Sept. 18, 2026). Before the Senate Finance Committee voted 15-12 this week to advance his nomination to the full Senate, most of the probing came on other matters, including Klomp's role in negotiating multiple so-called most-favored nation pricing agreements with pharmaceutical companies. The Trump administration has claimed that the mostly secret agreements, in which companies have reportedly agreed to even further discounts on drug prices in Medicaid, will save tens of billions of dollars, but details remain scant. Sen. Ron Wyden (D-OR), the committee's ranking member, voted against advancing Klomp's nomination, arguing that in a letter to Klomp that "the primary beneficiaries of these sweetheart deals are the pharmaceutical companies that negotiated tariff relief, fast-track drug approvals, and blanket exemptions" from two mandatory models that the administration launched last year to test international reference pricing for certain classes of Medicare drugs.

Klomp was also questioned about plans under consideration to expand the Center for Medicare and Medicaid Innovation's Wasteful and Inappropriate Service Reduction (WISeR) model to more states and procedures. Klomp said the agency continues to monitor the model's impact and would base any future expansion on the findings. APG has supported the model – under which technology-enabled prior authorization is being applied in the traditional Medicare program in six states to a specified set of items and procedures – despite repeated attempts from lawmakers in both parties to block it.

More vaccine pluralism. In another example of the administration's pluralistic vaccine views, FDA nominee Overton endorsed the measles, mumps, and rubella (MMR) vaccine as the "best tool" to fight the current measles outbreak at a Senate Health, Education, Labor and Pensions (HELP) Committee hearing on her nomination. Appearing to soften her prior stance in opposition to the abortion medication mifepristone, she said she would not "pre-judge" the outcome of an ongoing FDA safety review of rules governing prescribing of the drug. While her testimony left many lawmakers' questions unanswered, it also avoided obvious landmines, suggesting that her nomination may proceed along with Klomp's to Senate confirmation post-election.

ACA Enrollment Terminations Raise Key Questions About Actual Level Of Fraud In Marketplace Coverage

This week's announcement by the Centers for Medicare & Medicaid Services (CMS) that Affordable Care Act (ACA) plans were terminated in August for more than 315,000 contracts involving some 760,000 individuals constituted the administration's latest attempt to make the case that the ACA marketplace was riddled with fraud. But just how far that claim holds up remains to be seen.

At a news conference, CMS administrator Mehmet Oz, MD, implied that the coverage was ended because of the failure of enrollees to provide their Social Security numbers, which are needed to confirm their identity, confirm their lawful U.S. residency, and calculate their eligibility for federal subsidies. In details later provided to a *Washington Post* editorial writer, CMS also said that the canceled accounts were zero-premium, full subsidy plans for which the account holders paid nothing; had never been used and no claims were filed; and the plan had not received any response to its attempts to communicate with the account holder. CMS said that only after all these details were verified were the accounts canceled amid strong suspicions that they didn't constitute legitimate attempts by knowing consumers to purchase coverage that they needed.

Devil in the details? CMS said the cancellations would allow the government to recoup $2.2 billion in federal ACA subsidies on the terminated policies. Meanwhile, Vice President JD Vance, who has emerged as the administration's primary face of its health care fraud crackdown, said that processes were under way to verify an additional 419,000 ACA plan contracts whose validity was said to be in doubt. Now that at least some level of fraud in ACA coverage has apparently been established, the extent of it remains in question. The cancellations affecting 760,000 constitute 3.2 percent of total ACA enrollment for 2026. An earlier Government Accountability Office (GAO) analysis found evidence that 26,000 SSNs accompanying ACA coverage in 2023 were linked to Social Security's death data, suggesting that those covered persons had died – but the $94 million in ACA subsidies that accompanied those policies constituted about 0.1 percent of all ACA subsidies paid out that year.

APG is concerned about fraud, waste, and abuse in health care and its members are battling it on multiple fronts themselves. But APG also remains concerned that overstating the problem in the context of needed public programs runs the risk of undermining confidence in them and opening the door to further cuts.

Regulations Implementing Medicaid Cuts Seen As Undercutting Managed Medicaid, APG Says

The combined impact of several recent CMS proposed rules implementing Medicaid provisions of the 2025 reconciliation law will "severely undercut – if not destroy – the entire managed Medicaid model and the goals of bringing more value-based, accountable care into Medicaid," APG said this week. The criticism came in APG's comment letter on the proposed CMS regulation implementing new limits on Medicaid provider taxes, including in a new category covering such taxes imposed on "health insurers" – namely, Medicaid managed care organizations. Forty-nine states and the District of Columbia employ provider taxes to help finance their Medicaid programs and draw down federal matching dollars to support their programs.

Separately, a second major lawsuit was filed Sept. 18 in federal District Court in Maryland challenging the medical frailty provisions in the proposed CMS rule implementing new Medicaid work requirements. Plaintiffs, including the American College of Physicians and the American Academy of Pediatrics, contend that the provision in the regulation expanding the definition of medical frailty to include inability to work violates the underlying 2025 reconciliation law, which contained no such provision. The latest suit follows previously filed litigation brought mainly by Democratic state attorneys general on which a Massachusetts federal District judge has promised an Oct. 20 hearing on the litigants' motions for summary judgment. In its own comments on the proposed rule, APG sharply criticized the provision as inevitably drawing clinicians into having to make determinations over whether their "medically frail" patients were or were not too sick to work, and requested its withdrawal among multiple other changes in the proposed rule.

In Case You Missed It

- **Attaching the classification of "shared clinical decision-making" to federal vaccine recommendations should be done only in very limited circumstances** in which there is uncertainty over vaccine benefits and risks, APG wrote in a response to an HHS Department of Health and Human Services (HHS) Request for Information. APG criticized the administration's efforts to extend the category to many more

childhood vaccines as an effort to “muddy the science” around vaccine effectiveness that would decrease vaccine take-up and lead to far more illness and death.

- **Make America Healthy Again (MAHA) activists, led by Americans for Health Freedom, are once again pressing the Trump administration to ban all mRNA-based vaccines,** alleging without evidence “their demonstrated abject failure regarding safety, efficacy, and disease prevention.” The protest comes as the Centers for Disease Control and Prevention (CDC) ended a month-long delay and allowed states to order new COVID vaccines under the Vaccines for Children Program.

- **A short-lived Trump administration proposal to create a board of political appointees to oversee grantmaking by the National Institutes of Health (NIH) was scrapped** this week after protests from key lawmakers and the biomedical research community. The White House push had come after NIH Director Jay Bhattacharya rejected demands from President Trump to cut NIH funding to Harvard University.

- **More than 2000 tumor proteins or antigens have been identified that could be targets for cancer vaccines,** jumpstarting a new era of preventive and therapeutic cancer vaccine development, according to a translational science review published in the *Journal of the American Medical Association*.

APG Announcements And Offerings

- **Registration is 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.
- **Want to get more involved in APG’s Federal advocacy efforts?** Join APG Advocates today.