

GOP Briefed On Paragon's Proposed MA Reforms, Site-Neutral Changes, Scaled-Back APTC Renewal

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The Republican Study Committee met with the conservative think tank Paragon Health Institute to get discussions rolling on a possible bipartisan health package that could include a scaled-back extension of Affordable Care Act enhanced tax credits, Medicare Advantage changes and site-neutral policies.

The discussion Thursday (Aug. 14) was expected to focus on topics that could garner bipartisan support, including pharmacy benefit manager, MA, site-neutral and 340B reforms, according to a Paragon source.

Earlier in August, a Paragon statement said the 340B program has “perverted the pricing mechanism for prescription drugs and has developed into a significant profit center for large health systems.” Instead, the program needs more transparency to help policymakers combat increased provider consolidation, drug prices, and costs to states and the federal government, Paragon says in a September 2024 analysis. The think tank also wants to see participating providers share how much in savings the 340B program generates and what specific operations they go toward.

Paragon has previously backed site neutral policies that would close existing loopholes, require site-neutral payments for certain off-campus hospital services, and establish a uniform post-acute care payment system -- reforms Paragon estimates could save roughly \$220 billion over 10 years.

Paragon in late April recommended a slate of Medicare reforms, including saving \$250 billion by tackling MA overpayments.

Signals the GOP may be looking at an APTC compromise come after new Congressional Budget Office numbers out this week reasserted that 10 million consumers will be newly uninsured as a result of the GOP's One Big Beautiful Bill Act. Medicaid cuts and Obamacare insurers warn skyrocketing rates are in store -- leaving Republicans with a tricky public relations challenge during the August recess.

Lawmakers also must grapple when they return from recess with a slew of health care policies that expire Sept. 30, including Medicare telehealth waivers and community health center funding. Telehealth stakeholders stepped up their lobbying this week.