

Programming Note: The next edition of Capitol Insights will be published on January 9<sup>th</sup>. We wish everyone a happy holiday season!

## What Happened in Congress This Week?

Though recent legislative efforts failed, Congress continues to attempt to extend expiring enhanced eligibility for Affordable Care Act (ACA) premium subsidies. Four House Republicans joined all House Democrats in signing a discharge petition, which forces a House vote on a clean three-year extension of the Advanced Premium Tax Credits (APTCs). The vote will likely occur early next year, after the subsidies will have already expired. Assuming all Members who signed the discharge petition vote for the bill, it will pass the House of Representatives. This development introduces a new dimension to the subsidy fight. Even if a clean three-year extension passes the House, it is unlikely to receive a vote in the Senate or secure the support of President Trump. However, the bill could serve as a more credible starting point for a bipartisan deal addressing rising healthcare.

Separately, the House passed its own, more conservative <u>healthcare reform bill</u> that notably did not include any extension of the APTCs. Despite clearing the House, this bill is likely "dead on arrival" in the Senate. As such, the measure is largely symbolic of where House Republican leadership would like healthcare affordability reform to land. The bill includes expansion of association health plans, funding for cost-sharing reductions in ACA marketplace plans, and reforms to pharmacy benefit managers (PBMs).

# Senator Cassidy Increases Scrutiny of AMA's CPT Coding System

Senator Bill Cassidy, M.D. (R-LA) is <u>significantly expanding</u> his scrutiny of the **American Medical Association's (AMA)** role in managing and licensing the **Current Procedural Terminology (CPT)** codes that form the foundation of medical billing throughout the US. The Senate Health, Education, Labor, and Pensions (HELP) Committee, which Senator Cassidy chairs, has issued a request for information (RFI) to evaluate how the AMA's licensing fees, contractual terms, and related practices affect patients, providers, hospitals, health plans, and other health care entities.

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The Committee is distributing questionnaires to collect feedback from stakeholders with knowledge of CPT contracting and operational impacts.

This initiative reflects Sen. Cassidy's broader criticism of what he describes as the AMA's monopoly over the CPT manual. Released on December 9, 2025, the RFI follows a December 2<sup>nd</sup> letter in which Sen. Cassidy asked the AMA for information on CPT-related revenues and business practices. The Committee has created an online form with structured questions, and users must create an account to view or submit responses.

Sen. Cassidy has also raised the idea of shifting oversight of CPT codes to the **Centers for Medicare and Medicaid Services (CMS)**. While no concrete proposal is in place, the effort showcases congressional interest in the coding system that shapes billing and reporting across the health sector.

There is also a political dimension to this scrutiny. Many Republicans as well as Health and Human Services (HHS) Secretary Robert F. Kennedy Jr. and the Make America Heathy Again (MAHA) movement have criticized the AMA for endorsing progressive policies. Sen. Cassidy specifically references supporting gender affirming care. His focus on the AMA's control of CPT may resonate with fellow Senators who are concerned about the organization's policy direction. It may also offer Cassidy and Secretary Kennedy an area of shared concern following disagreements on vaccine policy. Examining the AMA's CPT licensing model also carries financial implications, since CPT royalties represent a significant revenue source for the association.

#### **Summary of the Senate HELP Committee's RFI**

The RFI seeks detailed information from organizations that use CPT codes in clinical, administrative, or technological operations. The main areas of inquiry include:

#### Licensing and Fees

Organizations are asked to describe the type of CPT license they hold, the total annual fees paid for the CPT Standard Data File, and any changes in fees or contract terms over the past decade. The Committee also requests contract duration, cumulative licensing costs across all AMA products, and information on nondisclosure clauses that restrict fee disclosure.

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## Negotiation and Compliance

Stakeholders are asked to describe their success in negotiating CPT contract terms and to disclose any copyright infringement or noncompliance notices received from the AMA.

#### Operational and Educational Costs

The RFI seeks information on expenditures related to CPT usage, including consulting fees, legal costs, personnel time, and educational expenses. Organizations are asked how much they spend on CPT education, whether separate licenses are required for AMA educational materials, the associated fee structures, and the share of their overall coding budget dedicated to AMA licensing.

### Royalty and Billing Structures

The Committee asks how organizations are charged for CPT use, whether costs are passed on to patients or clients, and whether stakeholders have experience with multiple royalty payments triggered by a single patient encounter.

The RFI also explores whether AMA royalties are collected for procedures or codes outside the AMA's licensing authority, including government codes.

### Conclusion

The RFI underscores questions about whether a private organization should retain exclusive control of a coding system that is central to both public and private health care operations. While the AMA argues that CPT ownership supports consistency and clinical relevance, critics contend that licensing costs and contractual restrictions create unnecessary burdens. The Committee's review indicates growing interest in potential reforms and offers stakeholders an opportunity to outline their perspectives. It remains to be seen if the RFI will lead to a tangible legislative proposal.

# **Top Stories in Healthcare Policy**

Last Friday, the Trump Administration released an executive order (EO) that curtails states' ability to regulate artificial intelligence (AI). It directs the federal government to challenge state AI laws and directs the Federal Trade Commission (FTC) and Federal Communications Commission (FCC) to target states with AI laws on their books. It also instructs

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Congress to act proactively to create a federal AI law. It remains to be seen if this EO can be fully implemented, and it will likely lead to legal battles on a wide range of fronts.

CMS <u>announced</u> a new Long-term Enhanced ACO Design (LEAD) model that is intended to make ACO participation more accessible to small, independent and rural practices as well as practices that treat specialized patient populations.

The amount of total spending on children's behavioral health now <u>represents 40% of all spending on children's medical care</u>. It has doubled in the last decade.

Senator Ron Wyden (D-OR) <u>sent a letter</u> urging major electronic health record vendors to strengthen privacy protections for patients and for national security interests.

A new <u>report</u> published by the American Medical Association (AMA) contends that 97% of health insurance markets are highly concentrated.

CMS published its annual "Measures Under Consideration List." This list consists of 24 quality and efficiency measures that CMS is considering adopting early next year.

A Senate vote to overturn an HHS policy change that ends the use of a waiver requiring public input on certain agency actions <u>did not pass</u>. As a result, HHS will operate under narrower notice and comment requirements and will have greater flexibility in implementing policy changes.

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