5/19/25 WEDI FEDERAL UPDATE

CMS and ASTP/ONC Release Health IT RFI, WEDI to Hold Members Only MPA. The Centers for Medicare & Medicaid Services (CMS) and Assistant Secretary for Technology Policy (ASTP)/Office of the National Coordinator for Health Information Technology (ONC) released a new Request for Information (RFI) titled "Health Technology Ecosystem." The intent of the RFI is to collect input on digital health products for Medicare beneficiaries, the state of data interoperability, and the broader health technology infrastructure. Responses to this RFI may be used by CMS and ASTP/ONC in their efforts on improving infrastructure, increasing beneficiary access to digital technologies, and increasing data availability for care delivery. The deadline to submit comments is June 16. WEDI will hold a Member Position Advisory (MPA) event May 28 (12:30 am – 3:30 pm ET) to allow members to share perspectives on the issues raised in the RFI. Information gathered from the MPA will be used to develop the WEDI response. Members can register here for the event.

OCR Cybersecurity Investigation Results in Settlement with Small California Provider. The U.S. Department of Health and Human Services (HHS), Office for Civil Rights (OCR) announced a settlement with a small California health care provider related to the breach of an unsecured server containing the medical images of more than 21,000 patients. The investigation was conducted following a report of a breach of ePHI from the provider's image storage system following access by an unauthorized third party. OCR's finding was that the provider had never conducted a Health Insurance Portability and Accountability Act (HIPAA) risk analysis and that it had failed to complete timely breach notification, within 60 days of discovering the breach. The provider will implement a corrective action plan, be monitored by OCR for two years, and pay a $5,000 fine. Go here to access the resolution agreement and corrective action plan.

Proposed Budget with $715B in Medicaid Cuts Passed by House Committee. The anticipated budget proposal with cuts to Medicaid was passed by the U.S. House Committee on Energy and Commerce with a vote of 30-24. The legislation includes a decrease of $715B over the next 10 years for the Medicaid program. Proposed savings come from various measures, including instituting community engagement or work requirements of a least 80 hours a month for able-bodied adults age 19-64; establishing processes to regularly obtain beneficiary address information from reliable data sources; identifying deceased individuals and disenrolling them; identifying and disenrolling terminated or deceased Medicaid providers and suppliers; increasing the frequency of eligibility verification of beneficiaries; prohibiting enrollment of

individuals whose citizenship, nationality, or immigration status has not been verified; limiting retroactive coverage in Medicaid to one month; and requiring budget neutrality for Medicaid demonstration projects under section 1115 of the Social Security Act. Mark up of the legislation and debate within Congress is expected over the coming days.

CMS Innovation Center Announces Strategy to Improve Americans' Health. Newly developed strategy by the CMS Center for Medicare and Medicaid Innovation (Innovation Center) aims to encourage individuals to achieve their health goals and live healthier through promoting evidence-based prevention, empowering patients, and driving greater choice and competition. This strategy builds on the Innovation Center's experience in testing alternative payment models and investments in infrastructure system reforms with the goal of improving quality and outcomes and reducing costs. It is expected that the Innovation Center's new strategy will also employ more alternative payment models with downside risks, contrary to the currently largely upside risk models. Learn more about the Innovation Center's new strategy here.

Chief AI Officer Added at FDA. The Food and Drug Administration (FDA) recently hired Jeremy Walsh as the newly created position of Chief Artificial Intelligence Officer. In this role, Walsh will oversee artificial intelligence (AI) and information technology with an expected focus on advancing AI use and improving data systems. He joins the FDA after 14 years at Booz Allen Hamilton where he was chief technologist and worked on contracts with the FDA, Centers for Disease Control and Prevention, National Institutes of Health, and Department of Veterans Affairs.

CMS Seeks Comments on Medicare Promoting Interoperability Program. As part of the Medicare Hospital Inpatient Prospective Payment System (IPPS) and Long-Term Care Hospital Prospective Payment System (LTCH PPS) proposed rule for fiscal year (FY) 2026 CMS is seeking comments on the Medicare Promoting Interoperability Program. Specifically, feedback is requested on the measurement format for eligible hospitals and Critical Access Hospitals to integrate their state's Prescription Drug Monitoring Program electronic database into their electronic health record (EHR), exchange data with six public health entities, and use of modern technologies and standards to ensure data are usable, complete, accurate, timely, and consistent. Comments are due by June 10. Read more about the proposed rule here.

Register Now for the July CMS and HL7 FHIR Connectathon. Registration is now open for the July 15–17 CMS and Health Level Seven International (HL7®) Fast Healthcare Interoperability Resources (FHIR®) Connectathon, taking place virtually. For the sixth year, developers, programmers, technology experts, analysts, and other participants will come together to test and learn about the industry's work on FHIR Application Programming Interfaces and Implementation Guides. Go here to learn more and register for the event. Registration closes June 30.

New Study Demonstrates Effectiveness of Telepsychiatry Services. A study published in JAMA Network Open titled "Medicaid Costs and Outcomes for Patients Treated in an Outpatient Telepsychiatry Clinic" suggests the potential for decreased overall costs and improved outcomes with the use of telepsychiatry services among the Medicaid study population. While the telepsychiatry services were higher in cost, the study population had lower inpatient admission rates, 38%, and lower emergency department admissions, nearly 18%, when compared to the control group. Due to the design of the study, a definitive connection between telepsychiatry services and lower costs was not conclusive. The study authors call for additional research to link the use of telepsychiatry services with lower overall costs and improved outcomes for patients with mental illness.