



**REFORMING GOVERNMENT.
EMPOWERING PATIENTS.**

2025 Annual Report

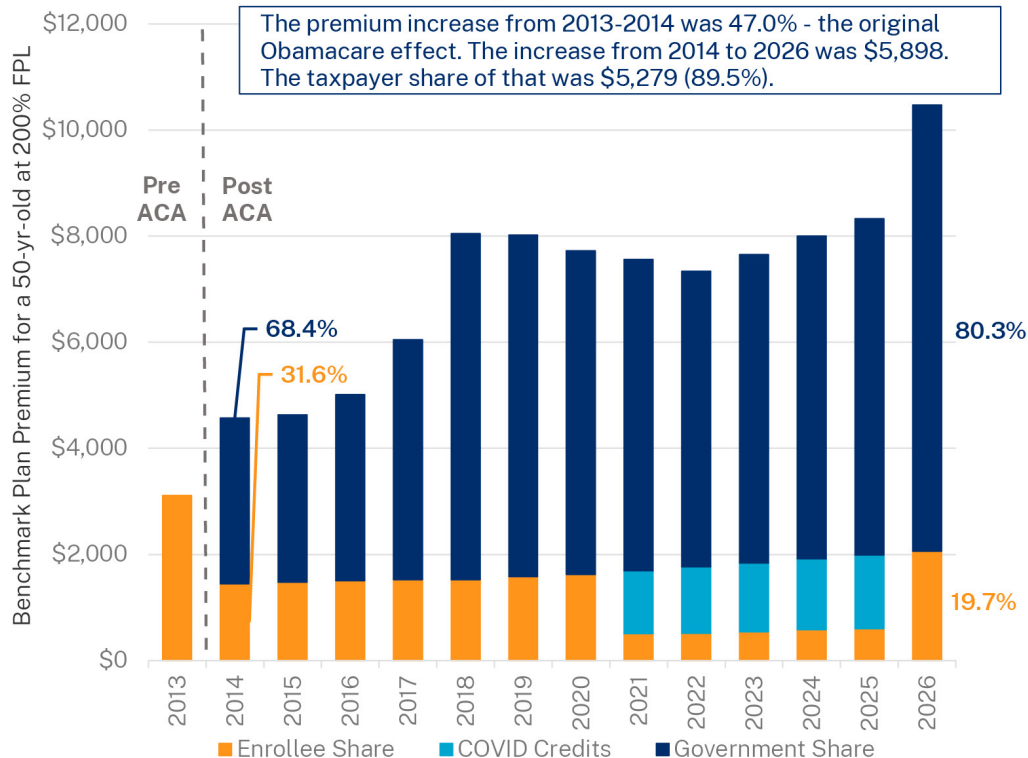
paragoninstitute.org

Paragon struck gold with Paragon PICs in 2025, more than doubling our average views per PIC from 2024.



Almost Entire Obamacare Premium Increases Paid for by Taxpayers

COVID Credits Further Shifted Cost from Enrollees to Taxpayers

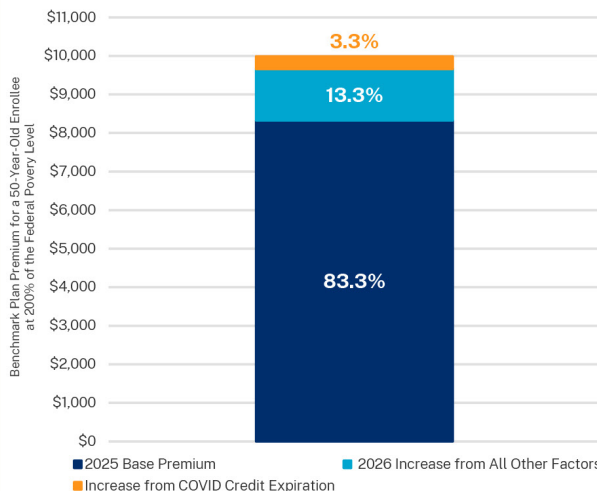


NOTE: This figure was updated on October 30th to reflect an average 26% premium increase for 2026.
 SOURCES: Authors' calculations based on data from the Kaiser Family Foundation's Health Insurance Marketplace Calculator and ASPe Data Point (2017), "Individual Market Premium Changes: 2013 - 2017," US Department of Health and Human Services.



Obamacare 2026 Premiums Largely Unaffected by Expiration of Biden's COVID Credits

Expiring COVID Credits are Responsible for 3.3% of Total 2026 Premium



SOURCE: KFF Analysis of Insurer Rate Filings "How Much and Why ACA Marketplace Premiums Are Going Up in 2026"

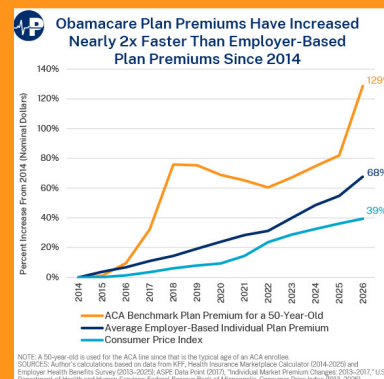
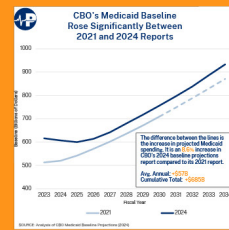
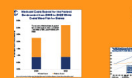
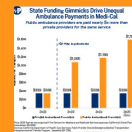


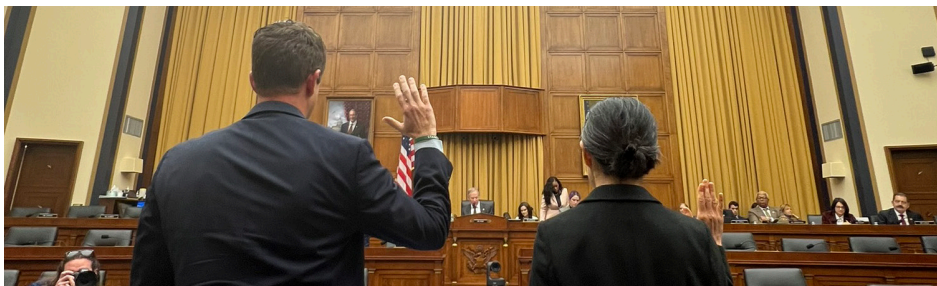
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LETTER FROM THE PRESIDENT



ABOVE: Paragon President Brian Blase (left) and Public Advisor Ge Bai (right) are sworn in for testimony before the House Judiciary Committee's Subcommittee on Oversight. December 10, 2025.

Dear Friend of Paragon:

Paragon had a tremendous impact in 2025.

In just four short years, our small team rose to a position of trust and leadership that transformed health policy debates in Washington.

Our legislative and administrative achievements showed that Paragon is dedicated to winning policy battles and changing the direction of health policy for the better. We showed that reformers can win on the issue of health care. We leveraged rigorous research, engaged policymakers at every level, and communicated in creative ways with memorable phrases, proving

that such hard work can prove decisive even when reformers are outnumbered and outspent in excess of 200 to 1 by the defenders of the status quo.

One of the most important examples of this was our publication *Addressing Medicaid Money Laundering*. Our research demonstrated how interlocking financing schemes (primarily provider taxes, intergovernmental transfers, and state-directed payments) allow states to collect massive federal Medicaid matching funds without making real contributions. This paper served as the intellectual basis for the reforms we advanced

and also changed the nature of the debate by referring to prominent Medicaid-financing practices as “legalized money laundering.” Key legislative and administrative leaders adopted that phrase as they championed reforms we developed.

Congress passed the One Big Beautiful Bill (OB BB) in the summer — landmark legislation that included more than 20 Paragon-developed or -inspired reforms. The bill began the process of putting our federal health programs on a more sustainable fiscal trajectory. It strengthened program integrity in key programs. And it introduced work requirements for able-bodied, working-age Medicaid enrollees, reconnecting them to community and individual opportunity and refocusing the program on the truly vulnerable. The reforms are projected to reduce federal health spending by more than \$1 trillion over the next decade.

It was the most important health care reform legislation in decades.

But these achievements are only *part* of the Paragon story in 2025.

Another key paper that helped build momentum for reform was *The Greater Obamacare Enrollment Fraud*. It was our second annual report on the growing problem of ineligible enrollees in the exchanges. We followed this up with “The Rise of the Phantom Obamacare Enrollees,” which was our rapid data analysis of the spike in the percentage of zero-claim enrollees. Through this data analysis, we presented members of Congress with powerful information that health insurers were not only receiving large subsidies on behalf of people who were ineligible, but they were receiving large subsidies on behalf of people who had no idea they were enrolled in the program. With this paper we unveiled the term *phantom enrollees* — another Paragon-coined term that transformed debate.

President Trump had barely signed the OBBA when the next fight

began — an extension of COVID-era Obamacare subsidy boosts. If it had gone through, it would have cost taxpayers a projected \$350 billion over 10 years, perpetuated fraud in the program, and harmed people with employer-sponsored health coverage. By the fall of 2025, this issue had become the justification for the longest federal government shut-down in U.S. history.

During this debate, Paragon once again took center stage with rigorous research, vigorous outreach, and game-changing communications. We released a paper, “The Problems with ACA Subsidies Compounded by COVID Credits,” at the zenith of the debate. We showed how the enhanced subsidies worsened underlying problems with the ACA subsidies — harming those with workplace coverage, incentivizing employers to drop coverage, causing price inflation, and disincentivizing work.

Paragon charts and data points were shared by President Trump, featured in remarks by the Speaker of the House, highlighted

in speeches by the Senate majority leader; and discussed by members of Congress from both parties. The debate over the enhanced Obamacare subsidies lasted through the entire year, but we never relented — and the side of reform won the day. The costly and distortionary subsidy boosts expired.

Paragon’s influence extended beyond the legislative branch. Throughout 2025, Paragon engaged extensively with federal agencies and regulators as the administration began implementing its health policy agenda. Many of the key reforms were developed through Paragon working groups in 2023 and 2024 — and with a regulatory reform project that we had undertaken in the event that a reform-minded administration came to power in 2025. These efforts helped shape an Obamacare program integrity rule projected to save taxpayers roughly \$200 billion over a decade, as well as several Medicare payment regulations that advanced long-sought reforms. Although much of

this groundwork was laid in earlier years, 2025 was the year when many of these ideas began moving from policy proposals toward implementation.

Looking back on 2025, Paragon did this in a strategic way that expanded our reach, deepened our relationships, and increased our influence and reputation in Washington. Early in the year we commissioned our first poll to prepare for the coming policy debates. It showed strong public support for our Medicaid reforms. We shared the results at an Energy and Commerce Committee member breakfast and continued to use it to provide communication insights and encouragement to members throughout the year.

At three important moments during the congressional debates, members of the Paragon team were invited to present our work to the weekly Senate Republican policy lunch, which brought together the entire GOP caucus. And I testified in front of four different congressional committees — two in the House

and two in the Senate — during the summer and fall as the debates reached a crescendo. Our outreach emboldened allies and put concrete, actionable reforms in their hands.

Throughout 2025, members of our congressional affairs team — led by long-time congressional staffer Ryan Long, who joined Paragon in January — became trusted sources of information and policy guidance for member offices, providing deeply valued rapid-response analysis and technical support to members and staff.

Just days after the OBBB was signed into law, we launched a web page dedicated to addressing the myths and facts about the health provisions of the bill. We put needed research and communications in the hands of members and their staff so they could defend the reforms. The response from the Hill and the administration has been uniformly positive.

But we also recognize that Washington is only one part of the health reform equation in America. We

launched our State Health Reform Initiative to aid implementation of the OBBB and spread the best ideas across the country. To kick off this initiative, we held our first Paragon State Fly-In. Almost two dozen of the nation's legislative health policy leaders came to Washington to hear how they could make the most of the OBBB to advance reforms in their own states. CMS Administrator Mehmet Oz, HHS Deputy Secretary Jim O'Neill, Congressmen Chip Roy and Eric Burlison, HHS Senior Advisor Calley Means, and the Paragon team provided a roadmap for concrete actions state policymakers could take back home.

We also saw our groundbreaking work in AI expand in 2025. We released a visionary research paper called *Targeted Postmarket Surveillance*. The paper was part of our newly launched AI Initiative. It proposed a practical solution to the challenge of unpredictability in AI-enabled medical devices that will enable innovation without endangering safety. Under the leadership of Kev Coleman, we seek to

put in place frameworks that redefine the debate, taking it from questions of government control and misregulation toward concrete, market-led reforms. A mark of our success is that our AI papers are among the most cited papers produced by Paragon.

Looking back, these achievements occurred even as Paragon experienced tremendous change. Several members of the broader Paragon team moved into positions where they could directly shape policy. Theo Merkel and Joel Zinberg left Paragon to serve as special assistants to President Trump working on health policy in the White House, while Drew Gonshorowski became Nebraska's Medicaid director. Joe Albanese, who played a central role in developing Paragon's Medicare research and whose work shaped many of our most important policy proposals, joined CMS as Medicare policy lead. While we miss their daily presence, their service reflects Paragon's growing role as both a source of policy ideas and policy leadership.

Although we lost key members of the team, we added key members in 2025. In addition to Ryan Long joining Paragon, Matt Robinson joined Paragon as our executive vice president.

The achievements that we contributed to in 2025 were largely the result of planning and work that had begun years before. We spent years building a practical, actionable roadmap — to improve program incentives, build a more patient-driven health care system, and place government programs on a more sustainable fiscal trajectory. While we recognize that not every year will present the same opportunities as 2025, we get up every day determined to take full advantage of the opportunities presented by this Congress and administration. We will continue to do policy research to evaluate how government programs are actually working and to expose the vast machinery of fraud and waste in government health care programs.

The year 2026 has brought many additional successes too, particularly as key elements of OBBB are implemented, more regulatory

reforms move ahead, and we grow our outreach and media appearances. We are opening up new areas to debate, such as how government policies drive up hospital prices, undermine competition, and fuel soaring health care costs.

None of our achievements over five years would have been possible without the generosity and support of our donors and supporters. We are mindful every day that the financial gifts that make Paragon possible are the result of their hard work and savings and that they are given to us so we can build a better and healthier future for all Americans.

With sincere gratitude,



Brian C. Blase

President,
Paragon Health Institute

PARAGON HEALTH INSTITUTE: BY THE NUMBERS

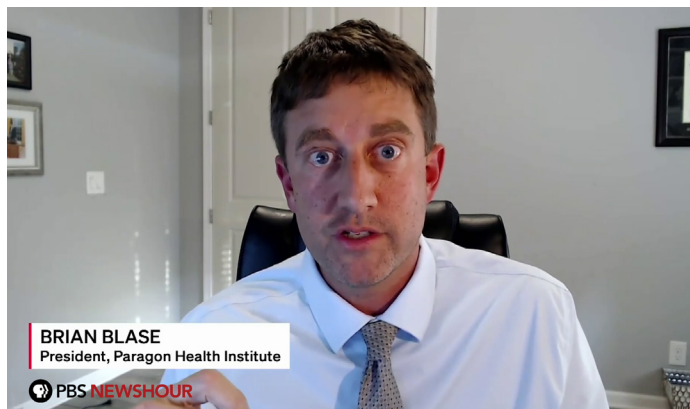
2025 WAS ANOTHER LANDMARK YEAR FOR PARAGON INFLUENCING THE NATIONAL HEALTH POLICY CONVERSATION AND CONTRIBUTING TO MAJOR POLICY REFORMS.

Paragon’s experts continued to shape the debate on the health policy issues that matter most — Medicaid financing, the Affordable Care Act (ACA) enhanced subsidies at the center of the longest government shutdown in history, Medicare payment reforms, and expanded health savings accounts and price transparency efforts — through a growing footprint across print, broadcast, and digital media. Our research and commentary appeared in outlets ranging from *The Wall Street Journal*, *The Washington Post* and *The New York Times* to *Politico*, *Axios*, and *Bloomberg*, reflecting Paragon’s standing as a go-to source for rigorous, data-driven health policy analysis.

Paragon’s experts published op-eds in 13 national and regional outlets, including *National Review*, *RealClearHealth*, and *The Washington Times*. We placed seven op-eds in *The Wall Street Journal*, the country’s most influential newspaper — an increase from three in 2024. Beyond bylined commentary, Paragon’s work was quoted or referenced in over 300 distinct outlets this year, spanning national wires like the Associated Press and Reuters, cable and broadcast



ABOVE: Brian Blase (right) and former Health and Human Services (HHS) Secretary Alex Azar (left) discuss Medicaid reform at the Healthcare Leadership Council January Membership Meeting. January 30, 2025.



ABOVE: Brian Blase appears on *PBS NewsHour* to discuss the Affordable Care Act’s enhanced subsidies. November 20, 2025.

news including CNN, Fox News, and NBC News, and specialized health trade press such as *Modern Healthcare*, *Inside Health Policy*, and *STAT*. This broad reach underscores the central role Paragon’s research has come to play in shaping how journalists

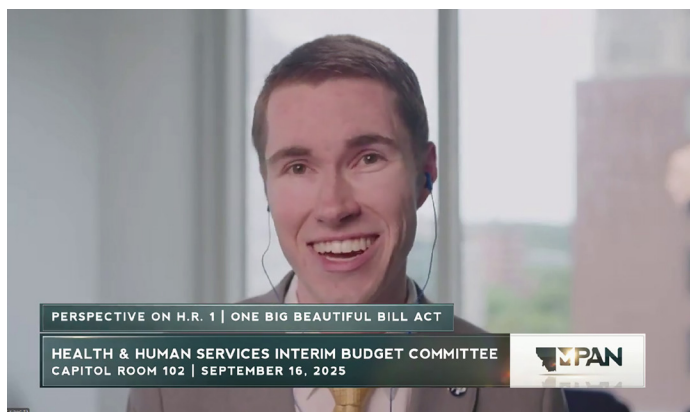
and policymakers understand the mechanics of health policy debates in Washington and around the country.

On air, Paragon's experts brought their analysis directly to audiences through appearances on C-SPAN, PBS NewsHour, Fox Business, Fox News, and NPR, alongside a growing presence on policy podcasts, including *Tradeoffs*, *Bannon's War Room*, *Breaking Points with Krystal and Saagar*, *The Jenny Beth Show*, and *The Truth with Lisa Boothe*. Paragon's podcast appearances played an important role at the end of the year, with an appearance on *The Sean Hannity Show* helping to galvanize support for allowing the COVID-era enhanced ACA subsidies to expire as planned after 2025.

Congressional engagement also deepened in 2025, with Paragon's experts delivering testimony before Congress six times — including our president Brian Blase testifying three times in the last two months of the year on the enhanced ACA subsidies — demonstrating Paragon's growing role as an educational resource for members and staff navigating health policy issues. And Paragon experts presented before the weekly Senate policy lunch three times in 2025, during the high-impact legislative debates over the Medicaid reforms included in the One Big Beautiful Bill (OB BB) and the COVID-era enhanced ACA subsidy extensions. Many of those efforts culminated



ABOVE: Brian Blase (center) greets *Washington Journal* host Mimi Geerges (right) before going live on the air. January 30, 2025.



ABOVE: Connecting with state-level lawmakers via video call, Niklas Kleinworth testifies before the Montana Health and Human Services Interim Budget Committee. September 16, 2025.

in the enactment of more than 20 Paragon-developed or -inspired reforms in the OBBB, with the law’s health provisions projected to reduce federal spending by more than \$1 trillion over the next decade.

Together, these statistics reflect not just growth in output, but measurable growth in influence and achievement — more research informing legislation and policy, more journalists relying on Paragon’s analysis, and more policymakers engaging with our work than ever before.

MAJOR POLICY OUTCOMES

- Paragon-developed or -inspired reforms enacted in the One Big Beautiful Bill (OBBB): **> 20**
- Federal savings associated with the OBBB’s health policy reforms: **\$1.1 TRILLION (OVER 10 YEARS)**
- Paragon-developed or -inspired reforms included in Trump administration health care rules, regulations, and policies: **>25**
- Improper ACA and Medicaid enrollments removed by those policies: **> 2.8 MILLION**
- Annual reduction in federal costs from those policies: **TENS OF BILLIONS OF DOLLARS**

MEDIA APPEARANCES ON TV,
RADIO, AND PODCASTS **47**

RESEARCH PAPERS **8**

POLICY BRIEFS **27**

OP-EDS **28**

CONGRESSIONAL
TESTIMONIES **6**

MENTIONS OR QUOTES
IN EXTERNAL
MEDIA OUTLETS **654**

GROWTH FROM 2024: 131%

NEWSLETTER
SUBSCRIBERS **3,815**

GROWTH FROM 2024: 17%

CONGRESSIONAL
HEALTH POLICY
EDUCATION ATTENDEES **763**

GROWTH FROM 2024: 11%

X (TWITTER)
FOLLOWERS **1,877**

GROWTH FROM 2024: 116%

LINKEDIN
FOLLOWERS **2,935**

GROWTH FROM 2024: 46%

WEBSITE
VIEWS **714K**

GROWTH FROM 2024: 206%

UNIQUE
WEBSITE
VISITORS **353K**

GROWTH FROM 2024: 280%

WSJ | OPINION

Paragon Health Institute's experts were published in the opinion pages of *The Wall Street Journal* seven times in 2025.

OPINION COMMENTARY Follow

Congress Can Rein In Medicaid Spending

By scrapping Biden-era rules, lawmakers can tame a projected \$817 billion in federal expenditures over the coming decade.

By Chris Jacobs
Jan. 22, 2025 3:25 pm ET

OPINION COMMENTARY Follow

Reform Medicaid's Flawed Funding Formula

Republicans have a chance to repair a federal program that is being gamed by states and isn't helping the neediest.

By Brian Blase
March 20, 2025 5:30 pm ET

OPINION COMMENTARY Follow

The Politics of Medicaid Reform

If Republicans are too timid, costs will expand and Democrats will benefit at the ballot box.

By Paul Winfree and Brian Blase
May 5, 2025 4:27 pm ET

OPINION LETTERS Follow

How Do We Know if ACA Expansion Worked?

The best available study found no improvements in mortality or any other physical health outcome from expanding Medicaid.

June 9, 2025 3:52 pm ET

OPINION LETTERS Follow

Explaining the Rise of Phantom ACA Patients

The problem isn't real people with coverage they don't use—it's fraudulent sign-ups who never should have been subsidized.

Aug. 25, 2025 12:10 pm ET

OPINION LETTERS Follow

Who Benefits From the ObamaCare Subsidies?

The real beneficiaries are insurers, who would rather receive payments from Washington than offer plans people must at least partially pay for.

Oct. 6, 2025 2:57 pm ET

OPINION LETTERS Follow

Employer Insurance Trumps the ACA Any Day

Brian Blase replies to the Urban Institute.

Dec. 9, 2025 1:07 pm ET





PURPOSE, PRINCIPLE, AND THE ROAD TO PARAGON

Ryan Long

*Director of Congressional Relations
and Senior Research Fellow,
Paragon Health Institute*

The path to the Paragon Health Institute began more than 25 years ago.

It all started when I took my first jobs in the congressional offices of Representatives Charlie Norwood of Georgia and then Joe Barton of Texas. Both were members of the Energy and Commerce Committee, which has jurisdiction over Medicaid, Medicare, individual market insurance, the Food and Drug Administration, and the Public Health Service Act. My early experiences on the Hill gave me a front-row seat to the complexities of crafting health care policy, and they provided an invaluable education in how to advance practical reforms.

In 2004, I joined the House Committee on Energy and Commerce. Here, I saw firsthand how legislation was crafted and began to see up close how government policies, potentially with good intentions, distort the provision of health care and how that increases federal deficits and strains family budgets.

From 2006 through the beginning of 2013, I served as Food and Drug Administration counsel and rose to chief health counsel. During those years, I worked on landmark legislation, including the Food and Drug Amendments Act (FDAAA) and the Food and Drug Safety and Innovation Act (FDASIA). I was also involved as the committee

considered the Biologics Price Competition and Innovation Act (BPCIA), the framework that created the biosimilar pathway in the United States. In these capacities, I found ways to work across the aisle to drive common-sense policies that enabled investment and innovation.

Later, I moved into committee leadership. In 2018, I became deputy staff director and then staff director for the Energy and Commerce Committee under Chairman Greg Walden. This vantage point gave me more exposure to how health care fits within the broader policy discussion and how poor design of government policies has negative second-order effects across sectors. By 2021, I served as senior policy advisor and counsel to Representative Kevin McCarthy as he rose from House minority leader to speaker of the House. In these roles, I helped develop strategy and advance conservative health care policies while navigating the legislative process to turn ideas into law.

What motivates me to stress the need for continued medical innovation is that I have a biosimilar infusion every two months to prevent flares from a condition that has led to emergency room visits and hospitalizations. I am thankful for that life-changing treatment, but I recognize that such options only exist because innovative biologics were first developed.

Four years ago, I lost a family member to a rare form of cancer and another family

member a month later from complications of a rare disease. My hope is that others who have loved ones struggling with disease will have treatment options that my family members did not. That can only happen if we preserve and foster an environment that rewards the initial breakthrough while permitting lower-cost generics and biosimilars to eventually flourish within that ecosystem.

These experiences inspire my belief that policy must expand access without sacrificing the innovation that brings new treatments to patients. I envision a world where hard-working Americans and their families benefit from both cutting-edge therapies and affordable options.

I support modernizing regulations to advance cures and policies that empower patients with choice while fostering a sustainable, innovative health care system. Competition, not government price-setting, remains the most reliable path to lower costs while preserving the ecosystem that delivers breakthroughs. I also believe that government programs and policies have made care too expensive for average Americans. We must eliminate policy distortions that lead to further consolidation and ever-increasing costs.

After more than two decades on Capitol Hill, I decided the next chapter of my career should focus on advancing these principles outside government. When Brian approached me about job opportunities at Paragon, I already had a healthy respect for the organization he had established. I saw from my time on the Hill that Paragon was the leading public policy organization advancing free-market reforms in health care. It was a different kind of think tank,



ABOVE: Ryan Long in 2011 (left) and 2025 (right).

focused and working at a speed that I knew was critical for winning support from policy-makers on Capitol Hill and in federal agencies.

Joining Paragon meant I could continue to make tangible, positive change for hard-working Americans by communicating research directly to Congress, educating the next generation of staffers through the Policy Reform Education Program, and counseling policy-makers at key moments on ways to advance free-market reforms that expand access and encourage innovation.

Looking back, it seems I was always destined for Paragon — from my early committee work on drug safety and biosimilars legislation to my leadership role advising the speaker.

Paragon's mission aligns perfectly with my political values, my experience, and my personal drive: empowering patients through competition and innovation rather than expanding bureaucratic control.

I am deeply grateful for the opportunity to work here with such outstanding people and to do my best to transform U.S. health care policy to better serve American patients and American taxpayers and to ensure we protect freedom and choice for the generations to come.



MYTH

OBBB CLOSES RURAL HOSPITALS

PARAGON HEALTH INSTITUTE'S OBBB MYTH- BUSTING CAMPAIGN

Within days of President Trump signing the One Big Beautiful Bill (OBBB) into law on July 4, 2025, Paragon launched a rapid-response project and dedicated web page to provide hard data and concrete research on the bill's health care provisions.

The dedicated “OBBB — Myths and Facts” landing page framed the effort plainly: “Even though the health policy provisions of the One Big Beautiful Bill (OBBB) reverse the Biden administration’s reckless and inflationary policies while preserving federal health programs for the truly vulnerable, critics have been quick to launch unfair and dishonest attacks on the progress made by the bill.”

The page compiled the project’s output into a single, browsable resource, permitting congressional staff and journalists

to fact-check claims about the legislation. Within the first month alone, Paragon published more than half a dozen substantive defenses that debunk attacks on the reforms, including:

- “Myth: The OBBB cuts Medicaid,”
- “Myth: The OBBB Medicaid reforms are unpopular,”
- “Myth: The OBBB will result in large coverage losses,” and
- “Myth: Rural hospitals will close because of the OBBB.”

Pieces continued to follow, such as “Myth: There is little waste, fraud, and abuse in Medicaid” and “Myth: The OBBB largely repeals the Affordable Care Act.”

The page didn't just correct the record; it also provided strong evidence-based arguments for the OBBB reforms, including two foundational reference documents: "What Made It Into Law: Health Provisions of the One Big Beautiful Bill," a plain-language summary of what the legislation actually did, and a more detailed policy brief, "Health Care Provisions in the One Big Beautiful Bill: Reducing Waste, Fraud, and Abuse While Empowering American Patients."

Together, all these materials gave Capitol Hill staff a single, citable baseline against which to measure outside claims.

Paragon is committed to working at the "speed of relevance," and this effort showed the organization at its best. The entire Paragon team was involved. We knew that the stakes were high and the window limited for defending the bill on the Hill and with the public.

For instance, critics claimed the OBBB would cause up to 17 million Americans to lose coverage, a figure that we noted "relies on Congressional Budget Office (CBO) estimates despite CBO's poor track record of projecting coverage impacts of major legislation." Left unanswered, inflated coverage-loss figures risked shaping both the public narrative and follow-on legislative and regulatory fights over implementation. We then directly challenged those numbers in "Problems with CBO's Analysis of the Coverage Impact of the One Big Beautiful Bill," arguing that a large portion of the people CBO projected would lose coverage would be unauthorized immigrants and able-bodied, working-age adults who refuse to comply with community-engagement requirements.

PARAGON ISSUE LIBRARY



OBBB

Myths and Facts

Even though the health policy provisions of the One Big Beautiful Bill (OBBB) reverse the Biden administration's reckless and inflationary policies while preserving federal health programs for the truly vulnerable, critics have been quick to launch unfair and dishonest attacks on the progress made by the bill. This collection of resources corrects the record.

WHAT MADE IT INTO LAW: HEALTH PROVISIONS OF THE ONE BIG BEAUTIFUL BILL



What Made It Into Law: Health Provisions of the One Big Beautiful Bill

The One Big Beautiful Bill (OBBB) contains the most substantial conservative reforms to federal health care programs of any legislation in decades. It will save taxpayers' money, empower patients, reduce improper enrollment and fraud, promote work and personal responsibility, and address incentives that lead states to spend recklessly and skew resources away from the most vulnerable. This summary highlights the bill's health policy provisions, including relevant Paragon research where applicable.

MYTH: THE OBBB MEDICAID REFORMS ARE UNPOPULAR

Myth: The OBBB Medicaid reforms are unpopular

FACT: Americans support the core Medicaid reforms in the OBBB. In a poll of 1,000 registered voters, commissioned by Paragon, Americans overwhelmingly support removing ineligible enrollees; work requirements for able-bodied adults; Medicaid payment parity with Medicare; and limiting financing gimmicks like provider taxes.



MYTH: THE OBBB CUTS MEDICAID



Myth: The OBBB cuts Medicaid

FACT: There are no cuts to Medicaid. OBBB slows spending growth, putting the program on a more sustainable path. For four years, the Biden administration pursued an enrollment-at-any-cost agenda, which dramatically increased federal subsidies to health insurers and big hospital systems. As a result, the federal baseline for Medicaid and Affordable Care Act (ACA) subsidies increased by \$1.9 trillion over the next decade between the 2021 and 2025 baselines.

MYTH: THE OBBB WILL RESULT IN LARGE COVERAGE LOSSES

Myth: The OBBB will result in large coverage losses

FACT: There are roughly 12 million ineligible enrollees in Medicaid expansion and the Obamacare exchanges – the result of the Biden administration's enrollment-at-any-cost strategy. Eligibility review requirements in the OBBB will help ensure that only those legally eligible for coverage will receive it.



MYTH: THE OBBB'S MEDICAID PROVISIONS WILL FORCE NURSING HOMES TO CLOSE



Myth: The OBBB's Medicaid provisions will force nursing homes to close

FACT: There are no cuts to Medicaid. OBBB slows spending growth, putting the program on a more sustainable path. For four years, the Biden administration pursued an enrollment-at-any-cost agenda, which dramatically increased federal subsidies to health insurers and big hospital systems. As a result, the federal baseline for Medicaid and Affordable Care Act (ACA) subsidies increased by \$1.9 trillion over the next decade between the 2021 and 2025 baselines.

CORRECTING THE RECORD ON COMMUNITY ENGAGEMENT REQUIREMENTS

Correcting the Record on Community Engagement Requirements

FACT: There are no cuts to Medicaid. OBBB slows spending growth, putting the program on a more sustainable path. For four years, the Biden administration pursued an enrollment-at-any-cost agenda, which dramatically increased federal subsidies to health insurers and big hospital systems. As a result, the federal baseline for Medicaid and Affordable Care Act (ACA) subsidies increased by \$1.9 trillion over the next decade between the 2021 and 2025 baselines.



MYTH: STATES WILL NOT BE ABLE TO COPE WITH THE LIMITS ON MEDICAID MONEY-LAUNDERING MECHANISMS



Myth: States will not be able to cope with the limits on Medicaid money-laundering mechanisms

The One Big Beautiful Bill (OBBB) Medicaid reforms would incentivize states to prioritize caring for the needy, not using the federal government as a cash cow.

MYTH: THE OBBB LARGELY REPEALS THE AFFORDABLE CARE ACT

Myth: The OBBB largely repeals the Affordable Care Act

FACT: Although certain structures of the Affordable Care Act (ACA) have increased health insurance and health care costs, the OBBB does not modify any of the ACA's insurance rules, the subsidies for ACA exchange plans, or the 90 percent state reimbursement for the Medicaid expansion population.



MYTH: THE OBBB WILL HARM THE MOST VULNERABLE MEDICAID ENROLLEES



Myth: The OBBB will harm the most vulnerable Medicaid enrollees

Fact: The One Big Beautiful Bill (OBBB) strengthens Medicaid by refocusing the program on its original mission – serving low-income children, pregnant women, the elderly, and individuals with disabilities. As enrollment of able-bodied, working-age adults has grown under the ACA, resources have been stretched, impacting access to care for traditional enrollees. The OBBB includes reforms to improve program integrity and better target resources, such as more frequent eligibility checks, community engagement and cost-sharing requirements for expansion enrollees, and enhanced oversight of improper payments. These changes are designed to improve access to care for the most vulnerable populations.

MYTH: THERE IS LITTLE WASTE, FRAUD, AND ABUSE IN MEDICAID

Myth: There is little waste, fraud, and abuse in Medicaid

Fact: Proponents of the bloated, bureaucratic status quo claim that there is little waste, fraud, and abuse in the nearly \$1 trillion Medicaid program. The OBBB contains significant Medicaid reforms – addressing Medicaid money-laundering schemes and requiring able-bodied, working-age adults to perform community engagement requirements. In addition, OBBB further addresses the rampant Medicaid waste, fraud, and abuse in a myriad of ways, including more frequent eligibility reviews of able-bodied, working-age ACA expansion enrollees, requiring states to reduce the improper payment rates, no longer paying health plans for individuals enrolled in multiple states, and making sure taxpayers are not paying for Medicaid coverage for the deceased.



MYTH: RURAL HOSPITALS WILL CLOSE BECAUSE OF THE OBBB



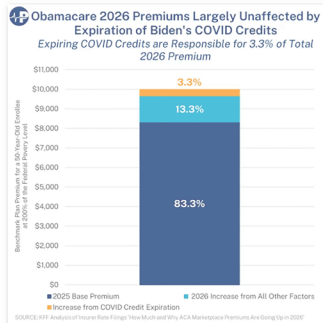
Myth: Rural hospitals will close because of the OBBB

The OBBB's reforms to limit waste, fraud, abuse, and corporate welfare in Medicaid – projected to save nearly \$900 billion over the next decade – enabled new funding to support rural health care providers and ensure access to core medical services in rural areas. The OBBB provides \$10 billion in annual funding over the next five years to improve and transform rural health care access, including support for existing rural facilities.

Paragon PIC



They say a picture is worth a thousand words. Well, data visualization is worth *at least* that much. Paragon Pic makes health policy easier to see and understand by demonstrating with images what researchers would normally try to explain with a lecture or text. Check for a new figure every week.



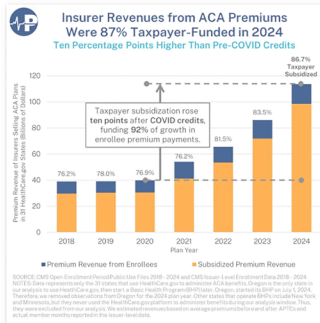
October 21, 2025

Obamacare 2026 Premiums Largely Unaffected by Expiration of Biden's COVID Credits

Expiring COVID Credits are Responsible for 3.3% of Total 2026 Premium

Expiration of the Biden COVID Credits is not the primary driver of 2026 premium increases.

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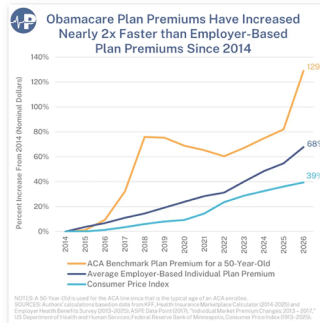


October 28, 2025

Insurer Revenues from ACA Premiums Were 87% Taxpayer-Funded in 2024: Ten Percentage Points Higher Than Pre-COVID Credits

The Affordable Care Act (ACA) transformed the individual market from an unsubsidized market into a heavily subsidized one, and Biden's COVID credits expanded this subsidization significantly. In 2024, 87 percent of the revenue

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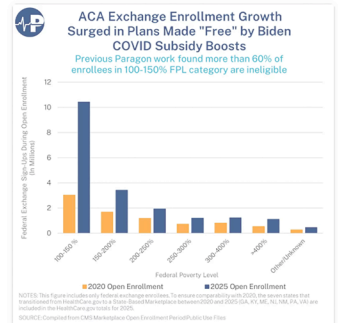


November 5, 2025

Obamacare Plan Premiums Have Increased Nearly 2x Faster than Employer-Based Premiums Since 2014

The Affordable Care Act (ACA) was promoted as a way to make health insurance more affordable. In reality, its regulations, which primarily affected the individual market, led premiums to increase an average of 4.7% from

[Show More](#)



December 22, 2025

ACA Exchange Enrollment Growth Surged in Plans Made "Free" by Biden COVID Subsidy Boosts

In the Greater Obamacare Enrollment Fraud, we estimated 6.4 million Obamacare enrollees in the 100-150 percent Federal Poverty Level (FPL) category are improperly enrolled, meaning they are ineligible for the subsidy amount.

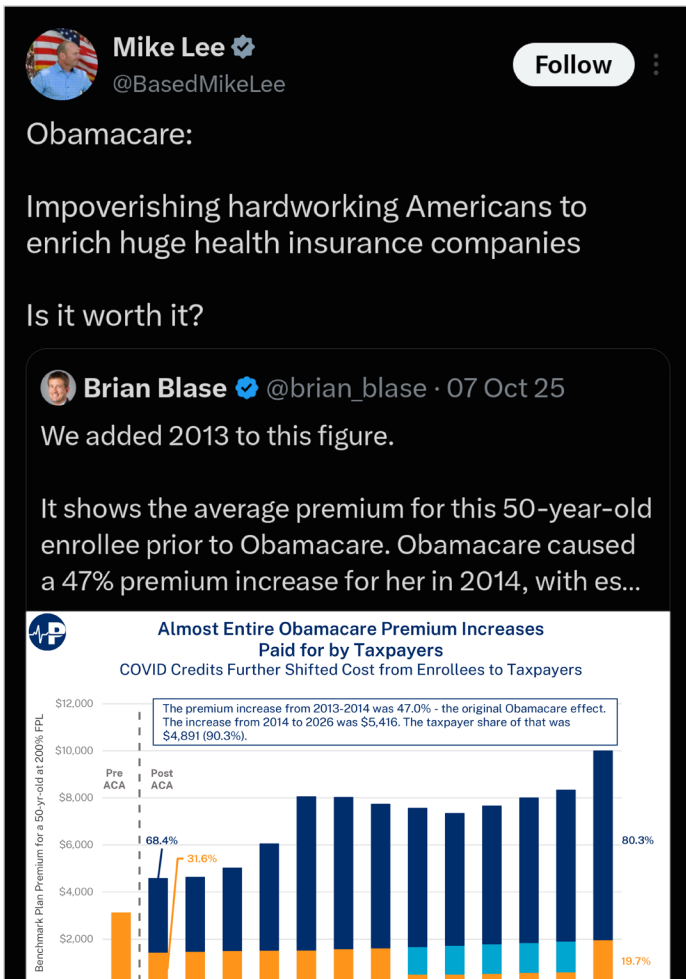
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PARAGON PIC

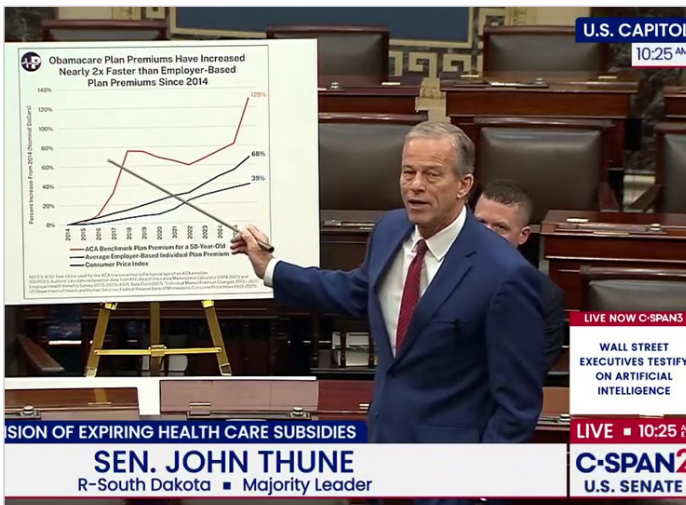
At Paragon, we believe that rigorous and innovative research is just the beginning of the process of reform. We take that work and then strive to find different ways to communicate our findings to the public and to policymakers. One of the most important and most focused ways we do that is through our Paragon PICs. Through these simple and clear data visualizations, we educate, inform, and reframe public discourse.

Paragon PICs challenge claims from the defenders of the status quo, correct the record by bringing forward essential facts, and show how government programs actually work. The result of this weekly effort can be seen by how far and wide Paragon PICs are used at the most critical moments in public debate.

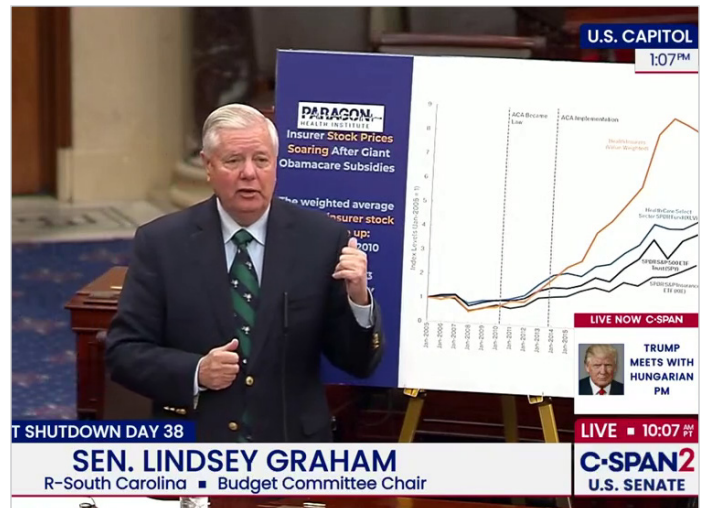
In 2025, Paragon PICs and research were used by President Donald Trump, Majority Leader John Thune, Speaker of the House Mike Johnson, Sen. Ron Johnson, Sen. Lindsey Graham, and Sen. Rick Scott. Our research has been cited and praised by Sen. Ted Cruz, Sen. Thom Tillis, Rep. Chip Roy, Rep. Jodey Arrington, and many others in their speeches, television appearances, outreach to constituents, and hearings.



ABOVE: Sen. Mike Lee (R-UT) tweets a Paragon PIC showing that taxpayers bear the brunt of Obamacare premium increases. October 8, 2025.



ABOVE: On the eve of the Senate vote to extend the COVID-era ACA subsidy boosts, Sen. John Thune (R-SD) shares one of several Paragon PICs, explaining why the subsidies should expire. December 10, 2025.



ABOVE: Speaking in the Senate chamber, the late Sen. Lindsey Graham (R-SC) shares a Paragon PIC. November 7, 2025.



ABOVE: Two days after Senator Graham's presentation, President Trump shares the same Paragon PIC on Truth Social to show how insurance companies benefit from Obamacare. November 9, 2025.



OUR INITIATIVES

Paragon has six major initiatives to guide our research and to prioritize our policy recommendations. The six major initiatives are:

- Artificial Intelligence
- Medicaid and Health Safety-Net Reform
- Medicare Reform
- Private Health
- Public Health and American Well-Being
- State Health Reform



ABOVE: Senator Ron Johnson (R-WI) shakes hands with Brian Blase before the Senate Finance Committee's hearing "The Rising Cost of Health Care: Considering Meaningful Solutions for all Americans." November 19, 2025.

Each of these initiatives represents an area of our health system most in need of free-market thinking. We seek to expand choice, competition, and efficiency in each area to empower patients and hold government programs accountable for what they promise and how they work in real life.

We seek directors of these initiatives who have practical experience in public policy and who understand the costs of misaligned incentives.

This principled and practical approach leads to evidence-based, actionable solutions that provide a clear roadmap for policymakers to introduce and implement meaningful free-market reforms that help every American.

ARTIFICIAL INTELLIGENCE

HARNESSING INNOVATION TO LOWER COSTS AND IMPROVE CARE

INITIATIVE: In 2025, Paragon deepened its work on the governance and application of artificial intelligence (AI) in health care, advancing a research agenda prioritizing the most pressing questions facing policy-makers, regulators, and health systems: how to harness AI’s transformative potential to lower costs and improve care while protecting patients from the risks that some AI systems may present. The initiative recognizes that policymakers must both minimize any patient harm and avoid misregulation that delays or denies patients access to lifesaving innovations.

Paragon’s AI publications are establishing a durable intellectual framework for responsible AI governance and deployment: defining the nature and causes of AI unpredictability and its implications for regulators; proposing a practical, low-cost postmarket surveillance system to address unpredictability in a targeted and scalable way; and identifying the Veterans Health Administration as the ideal national platform for demonstrating AI’s potential to substantially reduce American health care spending. Together, these papers position Paragon as a leading voice in the national debate over how the Food and Drug Administration (FDA), health systems, AI manufacturers, and the federal government should work together to ensure that health AI is both safe and transformative.

Featured Publication: “The Regulation of Uncertainty”

AUTHORS: Kev Coleman and Michael J. Pencina, PhD

RELEASE DATE: February 5, 2025

KEY TAKEAWAYS: Unlike traditional medical software, some AI systems produce unpredictable outputs — and the unpredictability itself can be irregular, manifesting inconsistently even for identical inputs. This presents a fundamental challenge for the FDA’s regulatory framework, which was designed around premarket validation of devices whose outputs are stable and consistent. AI’s diversity compounds the problem: Not all AI architectures are prone to unpredictability, meaning a one-size-fits-all regulatory response risks imposing excessive compliance burdens on safe systems while failing to address genuine hazards. The paper concludes that effective AI governance requires the FDA to set risk-targeted standards while health systems and manufacturers share responsibility for ongoing surveillance.

IMPACT: This paper established Paragon’s intellectual framework for AI regulation and served as the intellectual basis for the initiative’s subsequent, more detailed postmarket surveillance proposal. It was cited in the companion paper *Targeted Postmarket Surveillance* as the analytical starting point for that work and was referenced in discussions among FDA officials, congressional health staff, and health system technology leaders navigating the regulatory implications of the FDA’s new AI draft guidance. By identifying AI unpredictability as a distinct regulatory challenge — not merely a software defect — the paper gave policymakers a more precise framework for evaluating regulatory proposals and avoiding both over- and mis-regulation.

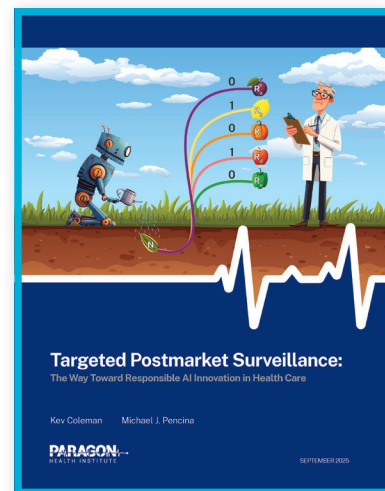
Featured Publication: *Targeted Postmarket Surveillance: The Way Toward Responsible AI Innovation in Health Care*

AUTHORS: Kev Coleman and Michael J. Pencina, PhD

RELEASE DATE: September 24, 2025

KEY TAKEAWAYS: Building directly on “The Regulation of Uncertainty,” this major paper proposes a concrete, scalable postmarket surveillance framework to address the patient safety risks posed by AI medical devices whose output unpredictability cannot be detected during the FDA’s premarket review. The framework is deliberately risk-based: Rather than subjecting all AI devices to the same surveillance burden, it concentrates new oversight on those devices where output unpredictability intersects with meaningful risk of patient harm. For AI devices with adaptive, open-dataset architectures, the paper recommends periodic revalidation — using the manufacturer’s own premarket test data to confirm that deployed outputs remain within acceptable parameters at progressively longer intervals at low cost and without exposing patient data or proprietary code. For devices with structural unpredictability intrinsic to their programming architecture (such as large language models and generative AI), the paper proposes performance monitoring through aggregated outcome data registries shared among health systems deploying the same device. These federated registries — modeled on the FDA’s Sentinel Initiative but adapted to AI’s local-context dependence — would detect adverse trends and model degradation early, alert manufacturers and the FDA, and enable collaborative remediation before patient harm occurs.

IMPACT: The paper was released as the FDA was implementing its new total product life cycle guidance for AI-enabled devices and as Congress and federal agencies were actively debating the governance of health AI. Its detailed framework for public-private postmarket surveillance directly engaged the concerns expressed by then-FDA Commissioner Robert Califf, who had stated publicly that postmarket AI oversight “is not something the FDA can do on its own.” The paper’s recommendations were cited by health system technology officers, AI manufacturers, and health policy researchers as a practical roadmap for AI deployment, and they contributed to Paragon’s growing reputation as the leading free-market voice in the health AI governance debate.



ABOVE: Paragon’s Kev Coleman testifies before the U.S. Senate Committee on Health, Education, Labor, & Pensions. July 17, 2025.

MEDICAID REFORM INITIATIVE

TRANSFORMING MEDICAID TO IMPROVE THE WELL-BEING OF RECIPIENTS AND ENSURE ACCOUNTABILITY

INITIATIVE: In 2025, Paragon led the intellectual case for Medicaid reform. Our research exposed the risks and costs of unverified enrollment and the sophisticated financing schemes states use to shift Medicaid’s true cost to federal taxpayers — showing how millions of ineligible enrollees and intentional money-laundering schemes divert vital funds away from the truly vulnerable whom the program was intended to serve. Paragon’s work illuminated the urgent need for eligibility verification to curb improper payments, which have ballooned to unprecedented levels, and for structural financing reforms to close the loopholes that allow states to use Medicaid to deliver corporate welfare to politically powerful health care institutions.

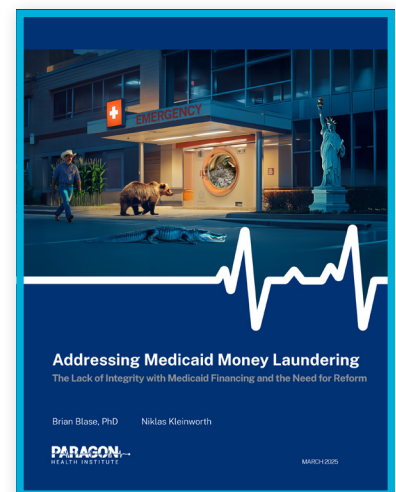
Featured Publication: *Addressing Medicaid Money Laundering: The Lack of Integrity with Medicaid Financing and the Need for Reform*

AUTHORS: Brian Blase and Niklas Kleinworth

RELEASE DATE: March 26, 2025

KEY TAKEAWAY: States across the country have developed sophisticated financing schemes that allow them to collect massive amounts of federal Medicaid matching funds without making real state contributions. These schemes are often developed by the providers who benefit from them and have resulted in Medicaid paying much higher rates than Medicare does. The paper discussed the bipartisan concern with these schemes, highlighting that then-Vice President Biden referred to them as a “scam” that should be eliminated and that President Obama proposed restricting them. The cumulative effect has been a dramatic shift in Medicaid’s cost structure: The *real* federal share of Medicaid has grown from its historical 60 percent to more than 70 percent today, even as program results have disappointed.

IMPACT: Released at the opening of the congressional reconciliation debate, this paper became an essential reference for policymakers confronting Medicaid’s unsustainable fiscal trajectory, and Congress adopted most of the major policy recommendations in the One Big Beautiful Bill (OBBB). Congressional staff on the Energy and Commerce Committee and Budget Committee cited Paragon’s findings in shaping the contours of the House version of the OBBB to limit provider taxes and state-directed payments. The phrase *Medicaid money laundering* became a critical part of the debate and put proponents of the status quo on the defensive. The Paragon team presented findings and policy recommendations from this paper to many members of Congress and their staff during the spring debate on the reconciliation bill. The paper’s analysis of a provider tax loophole that California used to obtain federal Medicaid money prior to expanding Medicaid to all unauthorized immigrants in the state crystallized the problem for policymakers, and Paragon’s estimates of the true federal cost burden were repeatedly referenced in floor debate and media coverage of Medicaid reform negotiations.



Featured Publication: “California’s Insurance-Tax Shuffle: How Federal Money Ends Up Paying for Medicaid for Illegal Immigrants”

AUTHORS: Paul Winfree and Brian Blase

RELEASE DATE: March 12, 2025

KEY TAKEAWAY: This policy brief exposed California’s use of a Medicaid managed care organization tax scheme to extract more than \$19 billion in federal funds between April 2023 and December 2026 without any real contribution from the state’s general fund. The mechanism works as follows: California taxed the Medicaid insurers it contracts with, then made higher payments to those same insurers, allowing the state to claim federal matching dollars on the inflated payment amount. Because the tax revenue is recycled back to the insurers, California incurred no net cost — yet the federal match generated a large and unrestricted surplus to the state. The next year — after receiving the flood of federal money — California expanded Medicaid to all unauthorized immigrants in the state and eliminated the state’s asset test for Medicaid long-term care. The latter change enables wealthy households to shield inheritances and have taxpayers finance nursing homes and community-based long-term care services for the affluent, undermining the program’s safety-net purpose. The paper demonstrated that the federal government is effectively paying 100 percent of the cost of California’s Medicaid expansion to illegal immigrants and 100 percent of the marginal cost of long-term care for wealthy enrollees added after the asset-test repeal, contrary to the statutory intent of joint federal-state Medicaid financing. Because the Biden administration had already approved analogous schemes in New York and Michigan before leaving office, the paper warned that without regulatory and legislative reform, the tactic will spread to additional states.

IMPACT: The paper was widely cited by members of Congress and in media coverage as one of the clearest concrete illustrations of Medicaid money laundering in action. It provided the factual and analytical foundation for efforts in Congress to prohibit the type of provider tax scheme that California used, and it reinforced Paragon’s broader case for Medicaid financing reform — developed in *Addressing Medicaid Money Laundering*.



ABOVE: Paragon’s Niklas Kleinworth speaks to congressional staffers during the event “Medicaid Money Laundering: Understanding State Financing Gimmicks.” April 10, 2025.

MEDICARE REFORM INITIATIVE

MODERNIZING MEDICARE THROUGH CHOICE, COMPETITION, AND FISCAL DISCIPLINE

INITIATIVE: One-size-fits-all policies cannot address each American’s unique health care needs. The Medicare Reform Initiative aims to address Medicare’s unsustainable fiscal path and deliver a program of greater value to seniors and taxpayers. With more than 60 million Americans relying on Medicare and the hospital insurance trust fund projected to face insolvency within the next decade, the need for structural reform has never been more urgent. In 2025, the initiative produced three major publications that together provided Congress and the administration with a comprehensive Medicare reform agenda: a structural comparison of the program’s two leading alternative payment models, a concrete package of reconciliation-ready savings proposals totaling more than \$700 billion over a decade, and a detailed roadmap for reforming the Centers for Medicare and Medicaid Services (CMS) Innovation Center.

Featured Publication: “Two Paths for Medicare’s Future: Medicare Advantage and Accountable Care Organizations”

AUTHOR: Joe Albanese

RELEASE DATE: January 15, 2025

KEY TAKEAWAYS: This policy brief provided a comprehensive structural comparison of the two leading alternatives to traditional fee-for-service Medicare: Medicare Advantage (MA) and accountable care organizations (ACOs). MA has grown to enroll more than half of all Medicare beneficiaries, while CMS has set a goal of placing every traditional Medicare beneficiary in an accountable care relationship by 2030. The brief concludes that MA’s growth offers the clearest near-term pathway for transforming Medicare and that direct competition between MA plans and ACO-managed traditional Medicare — through a common bidding framework — would best balance cost containment with beneficiary choice.

IMPACT: The paper provided a foundational reference for Congress as it considered structural changes to Medicare payment models. Its analytical framework comparing MA and ACOs informed Paragon’s subsequent Medicare reconciliation work and was cited in discussions on Capitol Hill regarding site-neutral payments, MA payment accuracy, and the future direction of the CMS Innovation Center.

Featured Publication: “Medicare Reforms for Reconciliation”

AUTHOR: Jackson Hammond

RELEASE DATE: April 30, 2025

KEY TAKEAWAYS: With Medicare spending reaching \$1.58 trillion in fiscal year 2024 and the program’s dedicated revenues covering a shrinking share of its costs, this policy brief identified a package of reforms that Congress could enact through reconciliation to save more than \$700 billion over 10 years — without cutting a single Medicare benefit. The centerpiece is a robust site-neutral payment policy that would pay outpatient hospital



ABOVE: Cover artwork for “Medicare Reforms for Reconciliation.”

departments the same rates as physician offices for identical services, generating an estimated \$220 billion in savings over a decade. Additional savings measures address MA payment accuracy and streamlining, and better targeting subsidy programs for hospitals.

IMPACT: Its site-neutral payment estimates — grounded in scoring by the Congressional Budget Office — were referenced in committee deliberations on the Energy and Commerce Committee and the Ways and Means Committee and helped establish the intellectual case for including Medicare payment reforms in the final reconciliation package.

Featured Publication: “How to Reform the CMS Innovation Center with a Choice and Competition Approach”

AUTHOR: Jackson Hammond

RELEASE DATE: October 22, 2025

KEY TAKEAWAYS: The CMS Innovation Center was created by the Affordable Care Act to test payment and service-delivery models with the aim of reducing Medicare and Medicaid spending while preserving or improving care quality. Despite projections of tens of billions in savings, the center generated a net cost of \$5.4 billion in its first decade. Of 49 models with published evaluations, only six produced significant savings, and only four were ever certified for nationwide expansion.

This paper diagnosed the root causes of that failure — and evaluated the Innovation Center’s May 2025 strategic reset, which reoriented the center around evidence-based prevention, patient empowerment, and choice and competition. The paper recommended that future models be true randomized demonstrations rather than broad voluntary programs, prioritize mandatory participation to prevent cherry-picking, be limited in size and duration to permit genuine evaluation, and incorporate market-based mechanisms that expand beneficiary choice.

IMPACT: Published as Congress and the Trump administration were reassessing the Innovation Center’s mandate, the paper directly engaged CMS’s new strategic framework and offered a constructive legislative roadmap to make it effective. Its recommendations informed Paragon’s engagement with House Energy and Commerce Committee staff on Innovation Center accountability provisions and contributed to the broader policy debate over whether the center should be reformed or eliminated.



ABOVE: Cover artwork for “How to Reform the CMS Innovation Center with a Choice and Competition Approach.”

PRIVATE HEALTH REFORM INITIATIVE

RESTORING AMERICANS' ABILITY TO CONTROL THEIR HEALTH FINANCES

INITIATIVE: The Private Health Reform Initiative focuses on putting patients — not government or insurance bureaucracies — at the center of American health care. Federal policy continues to funnel hundreds of billions of taxpayer dollars to big corporate interests with little to show in terms of better health outcomes for Americans. The mandates and complex rules of the Affordable Care Act (ACA) drive increased consolidation and contribute to high and rising hospital prices. Rather than a government-centric approach, policy should empower Americans with greater control over health care financing, expand options for coverage and care, and foster a more transparent and competitive market — while ending perverse incentives that have fueled unprecedented waste and fraud.

Featured Publication: *The Greater Obamacare Enrollment Fraud: The Fraud Got Much Worse in 2025*

AUTHORS: Brian Blase, Chris Medrano, Niklas Kleinworth, and Jackson Hammond

RELEASE DATE: June 2025

KEY TAKEAWAY: Updating Paragon's 2024 landmark report *The Great Obamacare Enrollment Fraud*, this paper found that improper enrollment in ACA exchange plans reached an estimated 6.4 million ineligible recipients in 2025 and cost taxpayers more than \$27 billion. The surge was driven by COVID-era enhanced subsidies that fully covered premiums for individuals claiming income between 100 and 150 percent of the federal poverty line (FPL) and the Biden administration prioritizing enrollment above eligibility. The paper recommended that Congress allow the enhanced subsidies to expire, verify applicant information prior to enrollment, and impose financial penalties on brokers and insurers who profit from improper enrollment.

IMPACT: The Marketplace Integrity and Affordability rule, proposed by the Centers for Medicare and Medicaid Services (CMS) and published in March 2025, explicitly cited Paragon's original fraud research six times and confirmed the methodology — validating that sign-ups in the 100–150 percent FPL category exceed the Census Bureau's estimates of the eligible population. The OBBB codified five of Paragon's six recommendations from the 2024 report, including ending automatic re-enrollment and requiring pre-enrollment eligibility verification.

Featured Publication: “The Rise of Phantom Obamacare Enrollees: Biden COVID Credits Drive Massive Increase in Individual Market Enrollees with No Medical Claims”

AUTHOR: Brian Blase

RELEASE DATE: August 13, 2025

TYPE: Paragon Prognosis

KEY TAKEAWAY: Drawing on CMS data released in August 2025, this analysis revealed that the number of ACA individual market enrollees with no medical claims *more than tripled* from 3.5 million in 2021 to 11.7 million in 2024 — a direct consequence of COVID-era subsidy boosts. On an



ABOVE: Cover artwork for “The Rise of Phantom Obamacare Enrollees: Biden COVID Credits Drive Massive Increase in Individual Market Enrollees With No Medical Claims.”

annualized basis, approximately 7.8 million full-year individual market enrollees filed no medical claims at all in 2024, even as tens of billions in federal subsidies flowed to insurers on their behalf. The percentage of individual market enrollees with zero claims jumped from under 20 percent in 2021 to 35 percent by 2024, while the small-group market, unaffected by the subsidy expansion, held steady at roughly one in five enrollees without claims. The Prognosis coined the term *phantom Obamacare enrollees* to refer to people enrolled without their knowledge, enrollees with other coverage, or fictitious people.

IMPACT: The analysis received immediate national attention. CMS’s own data release validated the core methodology underpinning Paragon’s broader ACA enrollment fraud research. The findings reinforced the legislative case for the program-integrity provisions in the OBBB and for allowing the COVID credits to expire at the end of 2025, providing Congress with a concrete measure — zero-claim enrollment — of the degree to which enhanced subsidies were subsidizing insurers rather than delivering care to patients.

Featured Publication: “Problems with ACA Subsidies Compounded by COVID Credits: Unfair to Americans with Employer-Based Insurance, Punish Work, and Incentivize Employers to Drop Coverage”

AUTHORS: Brian Blase and John R. Graham

RELEASE DATE: November 6, 2025

KEY TAKEAWAY: The ACA subsidy structure, compounded by the enhanced COVID-era subsidies, created substantial financial inequities against Americans who receive health insurance through their employers. Workers with employer-sponsored insurance at lower and middle incomes receive far smaller government health benefits than do comparable workers who obtain coverage through the ACA exchanges — effectively a penalty on working and on employer coverage. The COVID subsidy boosts extended this discrimination further up the income scale and incentivized early retirement among high-income households by making wealthy retirees eligible for generous taxpayer-funded subsidies. The paper also demonstrated that state and local governments have already used the ACA to offload retiree health care costs onto federal taxpayers.

IMPACT: This policy brief provided the analytical foundation for congressional debate over whether to extend the enhanced ACA subsidies beyond their scheduled 2025 expiration. The paper’s quantitative comparisons of after-tax compensation between workers with employer coverage and exchange enrollees at identical incomes were cited in congressional deliberations, and its findings reinforced Paragon’s broader argument that expiration of the COVID credits was among the most fiscally consequential decisions faced by Congress in 2025.



ABOVE: Cover artwork for “Problems with ACA Subsidies Compounded by COVID Credits: Unfair to Americans with Employer-Based Insurance, Punish Work, and Incentivize Employers to Drop Coverage.”

PUBLIC HEALTH AND AMERICAN WELL-BEING INITIATIVE

RESTORING TRUST AND IMPROVING AMERICANS' HEALTH AND WELL-BEING

INITIATIVE: Improving American well-being depends on empowering patients with transparent and accurate health information, removing counterproductive government regulations, and unleashing U.S. medical innovation by streamlining approval pathways for effective drugs and devices. In 2025, the initiative produced important research to reform critical institutions shaping American health and science — the National Institutes of Health (NIH) and the Veterans Health Administration (VHA) — offering policymakers a concrete, actionable blueprint for reforming how the federal government funds research and adopts new technologies. Together, these papers reflect Paragon's view that better health outcomes will come not from expanding government programs but from restructuring federal institutions to reward excellence, eliminate waste, and put the patient — not the bureaucracy — at the center of American medicine.

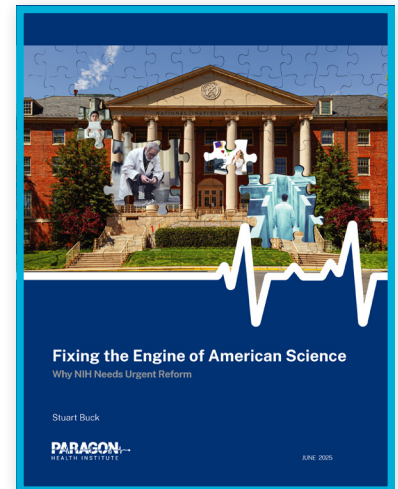
Featured Publication: *Fixing the Engine of American Science: Why NIH Needs Urgent Reform*

AUTHOR: Stuart Buck

RELEASE DATE: June 4, 2025

KEY TAKEAWAYS: NIH commands a nearly \$50 billion annual budget and serves as the world's premier biomedical research funder — yet its organizational structure, grant processes, and administrative culture are increasingly ill-suited to producing the breakthroughs Americans need. NIH's 27 institutes remain siloed around outdated disease- or organ-specific lines of inquiry that do not reflect modern systems biology. Researchers spend nearly half their time on compliance rather than science. The peer review system rewards risk-averse, incremental work and discourages transformative proposals, while indirect cost burdens consume a rising share of grant dollars. The paper's recommendations leverage existing administrative authority. Moreover, the paper argues that these reforms are urgent not only for scientific productivity but for restoring public trust in federally funded research after COVID-era failures and controversies over gain-of-function research.

IMPACT: Released as the Trump administration and Congress were actively debating the scope and structure of NIH, the paper provided policymakers with a detailed blueprint at a pivotal moment. Its emphasis on administrative actions that do not require legislation made it immediately actionable for Health and Human Services Secretary Robert Kennedy's "Make America Healthy Again" initiative. The paper was cited in congressional discussions about NIH reform in the House Energy and Commerce Committee and the Senate Health, Education, Labor, and Pensions Committee.



Featured Publication: “Could the VA Be the Key to Lowering the Cost of American Health Care?”

AUTHOR: Kev Coleman

RELEASE DATE: July 16, 2025

KEY TAKEAWAYS: This paper argues that artificial intelligence (AI) is one of the most promising tools available for achieving spending reductions without loss in quality, because it can empower lower-cost clinicians to perform higher-level tasks and, in certain contexts, eliminate human labor entirely through autonomous care. However, cost savings are not an automatic result of clinical AI adoption: Pre-negotiated payment rates, provider consolidation, and conflicting financial incentives mean that AI’s efficiencies may be captured as revenue by health systems — rather than passed on to patients — unless a dedicated demonstration project deliberately maps AI solutions to the nation’s highest-cost spending categories and validates them in a controlled setting. The paper proposes that the VHA is uniquely suited to serve as that platform. The VHA serves over 9.1 million veterans across 1,380 facilities nationwide, functions as both insurer and provider (giving it access to both claims and electronic health record data), and — unlike most nonprofit health systems — has direct organizational incentives to reduce the costs it pays.

IMPACT: The paper arrived as Veterans Affairs (VA) Secretary Doug Collins was actively pursuing efficiency reforms and as the administration was exploring large-scale AI investments through initiatives such as Project Stargate. By reframing the VA’s national infrastructure not as a legacy liability but as the ideal laboratory for proving AI-driven health care savings, the paper gave policymakers a concrete and actionable vehicle for connecting the administration’s fiscal reform agenda with its aims to accelerate the beneficial potential of AI.



ABOVE: Cover artwork for “Could the VA Be the Key to Lowering the Cost of American Health Care?”

STATE HEALTH REFORM INITIATIVE

TRANSLATING FEDERAL REFORM INTO ACTION AND EMPOWERING STATES TO ADVANCE COMPETITION

INITIATIVE: Launched in 2025, Paragon’s State Health Reform Initiative is dedicated to scaling successful free-market health care reforms in partnership with state leaders and policy organizations. Led by Niklas Kleinworth, the initiative provides state policymakers — who most often hear from special interests — with broader patient and taxpayer perspective.

The initiative’s priority is to help states eliminate distortions from government policies that are preventing competition, undermining patient choice, and driving up costs. Through the initiative, Paragon provides state policymakers with actionable research, model policies, and practical guidance to strengthen program integrity, remove anti-competitive regulatory barriers, expand patient choice, and redirect public resources away from corporate welfare and toward those who genuinely need help. This includes supporting implementation of the One Big Beautiful Bill (OB BB).



ABOVE: Niklas Kleinworth addresses an audience of state-level policymakers. December 16, 2025.

Featured Publication: *Preserve and Improve Medicaid: State Action to Protect the Most Vulnerable and Taxpayers*

AUTHORS: Niklas Kleinworth and Brian Blase

RELEASE DATE: December 18, 2025

KEY TAKEAWAYS: The OB BB introduced the most substantial Medicaid reforms in the program’s 60-year history, and their success depends, in part, on how states implement them. This comprehensive guide for state policymakers highlights the need for reform by documenting Medicaid’s deep structural flaws. Among them are an open-ended federal match that rewards spending over integrity, a 90 percent reimbursement rate for Affordable Care Act expansion enrollees — which gives states roughly *seven times more federal funding* per dollar for able-bodied adults than for children, pregnant women, seniors, and people with disabilities — and financing schemes that function as legalized money laundering. The report goes on to explain how the OB BB begins to correct them and the role statehouses play in implementing reforms.

True Medicaid improper payments likely exceeded \$1 trillion over the past decade. New Paragon research estimates that more than 9 million people were improperly enrolled in Medicaid expansion in 2024.

To promote program integrity, states should prohibit self-attestation of income, residency, and household size; verify eligibility information from actual data sources; require documentation for citizenship and immigration status; adopt a “three strikes” policy for hospital presumptive eligibility abuses (modeled on Indiana’s 2025 law); implement modest premiums for expansion enrollees; and commission independent “secret shopper” audits of their eligibility systems. Regarding the new work and community-engagement

requirements, states should prohibit self-attestation for compliance and exemptions and require provider documentation for medical frailty claims.

IMPACT: Upon release, *Preserve and Improve Medicaid* was immediately circulated to state Medicaid directors, governors' health policy staff, and legislative health committee chairs across the country. It was referenced in state-level debates in multiple legislatures considering OBBB implementation bills and served as a resource for state officials navigating the new community engagement and eligibility requirements. The paper reinforced Paragon's unique role as the national go-to source for actionable state Medicaid reform guidance — distinct from federal-level advocacy — and established Paragon as an indispensable partner for many state-level policymakers committed to protecting both vulnerable enrollees and taxpayers.

Featured Publication: *Rural Health Transformation Fund Offers States a Way to Improve Rural Health Care Access: Here's What States Should Do*

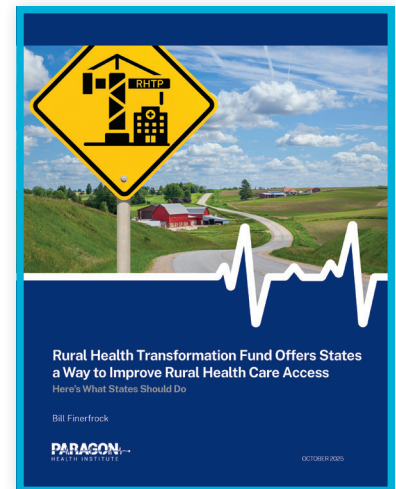
AUTHOR: Bill Finerfrock

RELEASE DATE: October 8, 2025

KEY TAKEAWAYS: The OBBB's \$50 billion Rural Health Transformation Program (RHTP) — the single largest federal investment in rural health care in U.S. history — offers states a generational opportunity to reform how care is financed and delivered in rural communities. But the opportunity will be squandered unless states learn from the failure of past programs, which were intended to support safety-net rural providers but were instead captured by large, urban hospital systems.

The paper argues that RHTP funds should be time-limited, directly targeted to rural providers, and designed around sustainable market-oriented reforms rather than subsidizing the status quo. Rural hospitals — of which nearly 200 have closed since 2005 despite Medicaid expansion — face a fundamental structural problem: The fixed “stand-by” costs of maintaining 24/7 emergency, obstetric, and surgical services cannot be covered by patient volume alone, and current payment systems do not recognize those costs. Beyond stand-by costs, the Centers for Medicare and Medicaid Services (CMS) scoring system for RHTP directly rewards states for removing anti-competitive barriers, permitting providers to practice to the top of their abilities, and expanding coverage options. Ohio's early RHTP application, which included proposals to expand pharmacist prescriptive authority, is one model the paper recommends.

IMPACT: Released as CMS was publishing its initial RHTP implementation guidance and states were beginning to prepare their applications, the paper became a reference for governors' offices, state offices of rural health, and legislative health committees in many states. The paper also reinforced the State Health Reform Initiative's core message that the most durable improvements in rural access will come not from new, permanent government subsidies but rather from removing the regulatory barriers that have suppressed competition and driven up costs in rural communities for decades.



STATE HEALTH REFORM POLICYMAKER FLY-IN

In December 2025, we invited 20 of the nation's top state health care policy reformers to Washington. Paragon team members presented on the provisions in the OBBA and highlighted how these elected leaders can best implement the new legislation to strengthen program integrity, drive down costs, and enhance patient choice. To strengthen cooperation with the federal government, the state leaders heard from CMS Administrator Dr. Mehmet Oz, Health and Human Services (HHS) Deputy Secretary Jim O'Neill, Congressmen Chip Roy and Eric Burlison, and HHS Senior Advisor Calley Means. Many of these legislators provided feedback that the event was one of the best meetings they attended all year. From this successful event, we have built a monthly working group to gather legislators from across the country to share best practices, provide model language, and offer Paragon's research to help them advance concrete, actionable solutions in their home states.



ABOVE: Representative Chip Roy (R-TX) addresses a group of state-level policy leaders at Paragon's 2025 State Leader Fly-In. December 16, 2025.



ABOVE: CMS Administrator Dr. Mehmet Oz (left) accepts a warm welcome from Paragon's Brian Blase (right). December 16, 2025.



CONGRESSIONAL HEALTH POLICY EDUCATION PROGRAM

Led by Ryan Long, Paragon's Director of Congressional Relations & Senior Research Fellow, and assisted by Gabrielle Minarik, Paragon's Program Manager, the Congressional Health Policy Education Program entered its fourth year in 2025. The program set a record for attendance, attracting 763 guests, with House and Senate staff making up more than 60% of our in-person attendance. In addition, Paragon's virtual events drew a record 636 live viewers and were watched for 166 additional hours on YouTube.

Paragon's staff took the lead on presenting the year's sessions, sharing insights into legalized Medicaid money laundering schemes, opportunities for reform in reconciliation, phantom enrollment in Obamacare, and the need to allow the

Affordable Care Act's enhanced subsidies to expire. Paragon's experts were also joined by luminaries from the Hill: in September, Jay Gulshen, the Chief Health Counsel of the Energy and Commerce Committee, joined Brian Blase and Ryan Long to review the key health provisions of the One Big Beautiful Bill (OB BB).

Ryan's leadership helped to develop the next generation of policy leaders on the Hill by challenging them to ask questions and stand up for their ideas during discussions with their peers. Our events allowed the Paragon team to identify congressional staff who want to cultivate their understanding of the issues by getting more deeply involved in health policy. As a result, the program helped to identify potential future leaders and strengthened relationships with Hill offices.

PARAGON HEALTH INSTITUTE:

FINANCIALS

At Paragon, we take seriously the responsibility to put every charitable dollar to work advancing our mission. In 2025, the vast majority of our expenditures supported program services — fueling the research, communications, and policy development at the heart of our work. We remain committed to stewarding our supporters’ generosity with discipline and purpose, directing resources where they can have the greatest impact in reforming government, empowering patients, and strengthening America’s health care system.



PARAGON ANNUAL EXPENDITURES	2021	2022	2023	2024	2025
Program Services	\$131,167	\$1,047,970	\$1,945,053	\$2,532,488	\$2,738,405
Management and General	\$69,230	\$491,585	\$351,605	\$204,175	\$340,713
Fundraising	\$4,290	\$84,512	\$91,148	\$85,697	\$142,120
Total Expenses	\$204,687	\$1,624,067	\$2,387,806	\$2,822,360	\$3,221,238

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NOTE: Titles and organizational affiliations reflect roles held during 2025 and may not reflect current employment.

BOLD IDEAS & COMMONSENSE SOLUTIONS

“Paragon Health Institute, a think tank, has done the intellectual leg work for the GOP ...

— THE EDITORIAL BOARD, *THE WALL STREET JOURNAL*
MAY 4, 2025

“One small think tank is driving health policy within the GOP.

— BENJAMIN GUGGENHEIM, ROBERT KING AND MEREDITH LEE HILL, *POLITICO*
OCTOBER 1, 2025

“A young, well-connected think tank is at the center of Republicans’ efforts to reform Medicaid as part of President Trump’s ‘one big, beautiful bill’ ...

— EMILY BROOKS, *THE HILL*
MAY 13, 2025

“... a conservative think tank that has become influential among congressional Republicans.

— LAURA J. NELSON, *LOS ANGELES TIMES*
AUGUST 7, 2025

“... an influential think tank among Republicans in the White House and Congress.

— JESSIE HELLMANN, *ROLL CALL*
APRIL 30, 2025

“... a leading conservative think tank ...

— PHIL GALEWITZ, *CBS NEWS*
JANUARY 13, 2025

“HHS has ... used the Paragon Health Institute methodology ... to quantify erroneous and improper enrollments ...

— FEDERAL REGISTER
MARCH 19, 2025