

Impact Health Policy Weekly

Framing the week

At the end of last week, it was reported that the House Energy and Commerce (E&C), Ways and Means (W&M), and Agriculture Committees are delaying the markups for their respective portions of the budget reconciliation package amid internal disagreements amongst House Republicans and shifting priorities from the White House. The markups are now expected to be convened the week of May 12th, putting further pressure on Speaker Johnson's Memorial Day deadline.

Instead of proposals that would impose large Medicaid funding cuts, such as per capita caps, the White House is now pushing for a Most Favored Nation policy that would tie prescription drug reimbursement more closely to prices paid internationally and would apply to drugs in Medicaid. House Speaker Mike Johnson (R-LA) did not express support for such an approach, while E&C Chair Brett Guthrie (R-KY) was open to the idea.

In light of new policies coming under consideration for reconciliation, we wanted to briefly flag Paragon Health Institute's [recommendations](#) for Medicare reforms for reconciliation:

- Medicare Advantage reforms, including addressing benchmark calculations, the quality bonus program, the risk adjustment program, enrollment, and Medigap;
- Site neutral payments, such as applying physician rates to clinic visits and other common services in on-campus hospital outpatient departments and a unified post-acute care payment system;
- Reducing the 340B subsidy to hospitals and codifying the first Trump Administration's rule to reduce the Medicare payment for 340B-acquired Part B drugs to the average sales price (ASP) minus 22.5 percent; and
- Removing uncompensated care payments from Medicare, indexing them to inflation, and basing them on a hospital's share of charity care and non-Medicare bad debt.

We would like to note that such policies have not yet been considered by House Republicans, but offer additional areas in which savings could be achieved outside of Medicaid.

Additional Reconciliation Updates

Last Wednesday, the House Judiciary Committee advanced their [portion](#) of the reconciliation package, which primarily focused on advancing the Trump Administration's immigration policies. The bill also includes provisions of the Regulations from the Executive in Need of Scrutiny (REINS) Act ([H.R. 142](#)), which requires any major regulation that increases revenue by \$100 million or more to be approved by Congress through a joint resolution. Additionally, for rules currently in effect, agencies must submit relevant rules for Congressional review, and rules that do not receive approval will automatically sunset. However, the package ultimately excluded a provision that would have transferred the Federal Trade Commission's (FTC's) antitrust enforcement powers to the Antitrust Division of the Department of Justice (DOJ).

Supreme Court Decisions

In a 7–2 [decision](#) last week, the Supreme Court upheld the Department for Health and Human Services’ method for calculating Medicare disproportionate share hospital payments, which counts only inpatient days for patients receiving Supplemental Security Income (SSI) cash benefits during the month of their hospital stay. Hospitals had argued the policy excludes other low-income patients eligible for SSI-related services. In dissent, Justices Jackson and Sotomayor criticized the formula for “arbitrarily undercounting” the low-income population hospitals serve.

Regulatory Update

The Office of Management and Budget is reviewing the following:

- **Medicare.** Proposed CY 2026 payment updates for [physicians](#), [hospital outpatient departments and ambulatory surgical centers](#), [home health agencies](#), and [end-stage renal disease facilities](#). These proposed rules are typically published in June or July.
- **Medicaid.** A [proposed rule](#) titled, “Preserving Medicaid Funding for Vulnerable Populations – Closing a Health Care-Related Tax Loophole.” The proposed rule could impact provider taxes, such as those in California and New York.
- **ACA Marketplace.** A [final rule](#) with a series of proposals intended to address improper enrollments in Marketplace coverage and reduce improper federal spending on advanced premium tax credits ([IHPP summary](#)). If finalized as proposed, 750,000 to 2 million fewer individuals would enroll in Marketplace coverage in 2026.
- **Transparency.** A [prerule](#) titled “Transparency in Coverage,” likely with proposed changes to [health plan price transparency requirements](#). The prerule would implement President Trump’s [executive order](#) directing the Departments of Treasury, Labor, and Health and Human Services to strengthen price transparency requirements ([IHPP summary](#)). At the prerule stage, agencies typically submit an “Advanced Notice of Proposed Rulemaking” to allow the public the opportunity to comment on whether or not a rulemaking should be initiated.
- **Health Technology.** A [request for information](#) on the “health technology ecosystem.”

This Week in Health Policy

Mon. (5/5)

- **3:00pm – Hearing: Improving Access to External VA Care** – The House Veterans’ Affairs Subcommittee on Technology Modernization holds an oversight hearing titled “Improving Access to External VA Care through Enhanced Scheduling Technology.” [Details](#).
- **3:00pm – Discussion: Head Start Funding Cuts** – The Center for American Progress (CAP) holds a discussion on what the Trump Administration’s threats to fully defund Head Start would mean for the families and communities nationwide who depend on Head Start services. [Details](#).

Tue. (5/6)

- **10:00am – BPC Discussion: Youth Mental Health** – The Bipartisan Policy Center (BPC) holds a discussion on bipartisan policy solutions to address America’s youth mental health and substance

use crisis, focused on social media use, health care delivery, and prevention and intervention. Sens. Tina Smith (D-MN) and Thom Tillis (R-NC) will participate. [Details.](#)

- **10:00am – JHU Discussion: Primary Care Reform** – The Johns Hopkins University (JHU) Bloomberg Center holds a discussion on how aligned investment and policy can strengthen primary care systems and improve health outcomes, including sustainable payment frameworks that support these innovations. [Details.](#)
- **10:00am – Hearing: DHS FY 2026 Budget** – The House Appropriations Committee holds a hearing to examine the proposed budget estimates for fiscal year 2026 for the Department of Homeland Security (DHS) with DHS Secretary Kristi Noem. [Details.](#)
- **10:15pm – Markup: VA Telehealth Access** – The House Veterans' Affairs Committee holds a markup of several pieces of legislation, including [H.R. 1107](#), Protecting Veteran Access to Telemedicine Services Act of 2025, and [H.R. 1860](#), Women Veterans Cancer Care Coordination Act, among others. [Details.](#)
- **10:30am – Hearing: USDA FY 2026 Budget** – The Senate Appropriations Subcommittee on Agriculture, Rural Development, Food and Drug Administration, and Related Agencies holds a hearing to examine the proposed budget estimates for fiscal year 2026 for the Department of Agriculture (USDA) with USDA Secretary Brooke Rollins. [Details.](#)
- **12:00pm – Washington Post Discussion: Access to Cancer Care** – The Washington Post Live holds a discussion on ways to promote access and care in the treatment and prevention of cancer. [Details.](#)

Wed. (5/7)

- **10:00am – Hearing: USDA FY 2026 Budget** – The House Appropriations Committee holds a hearing to examine the proposed budget estimates for fiscal year 2026 for the Department of Agriculture (USDA) with USDA Secretary Brooke Rollins. [Details.](#)
- **10:00am – Hearing: Welfare Reform** – The House Oversight and Government Reform Subcommittee on Health Care and Financial Services holds its second hearing to examine solutions to reform the welfare state, focused on strategies to reform rental assistance programs like Section 8, Public Housing, and the Low-Income Tax Credit. [Details.](#)
- **10:00am – Hearing: Fiscal State of the Nation** – The House Budget Committee holds a hearing with economic policy experts to examine the financial condition of the nation. [Details.](#)
- **12:30pm – Brown University Discussion: Health Care Vertical Integration** – The Brown University School of Public Health's Center for Advancing Health Policy through Research holds a discussion on vertical integration in the U.S. health care system. Sen. Elizabeth Warren (D-MA) will deliver keynote remarks. [Details.](#)
- **1:30pm – ITIF Discussion: Domestic Pharmaceutical Manufacturing** – The Information Technology and Innovation Foundation (ITIF) holds a discussion with leaders in Artificial Intelligence, pharmaceutical manufacturing, and public policy on ways Congress can help ensure America leads in next-generation drug manufacturing through economic revitalization and modernizing regulation. Sen. Todd Young (R-IN) will deliver keynote remarks. [Details.](#)

Thurs. (5/8)

- **9:00am – Hearing: CISA Oversight** – The House Appropriations Committee holds an oversight hearing of the Cybersecurity and Infrastructure Security Agency (CISA) with Acting Director Bridget Bean. [Details.](#)
- **10:00am – Hearing: DHS FY 2026 Budget** – The Senate Appropriations Subcommittee on Homeland Security holds a hearing to examine the proposed budget estimates for fiscal year 2026 for the Department of Homeland Security (DHS) with DHS Secretary Kristi Noem. [Details.](#)
- **10:00am – Hearing: HHS/Surgeon General Nominations** – The Senate Health, Education, Labor, and Pensions Committee holds a hearing to examine the nominations of James O'Neill to be Deputy Secretary of Health and Human Services, and Dr. Janette Nesheiwat to be Medical Director in the Regular Corps of the Public Health Service, and to be Surgeon General of the Public Health Service. [Details.](#)
- **10:00am – Hearing: Domestic AI Innovation** – The Senate Commerce, Science, and Transportation Committee holds a hearing to examine winning the AI race, focusing on strengthening United States capabilities in computing and innovation by removing regulatory barriers on the AI supply chain. [Details.](#)

Featured Analysis

- ***NEW* 100 Days of Disruption: Health Policy Under Trump 2.0** – In Policy Hub Insight Bank [here.](#)
- **Impact Update on HHS RIF and Reorganization** – In Policy Hub Insight Bank [here.](#)
- **Impact Memo on Potential Budget Reconciliation Spending Cuts: Medicaid, ACA, Immigration, Commercial Insurance and More** – Available [here.](#)
- **Insights for Impact: Federal Nutrition Programs** – In Policy Hub Insight Bank [here.](#)
- **Litigation Tracker: Monitoring Legal Challenges to Trump-Vance Executive Actions** – In Policy Hub Insight Bank [here.](#)
- **Impact Overview of President Trump's Day One EO** – In Policy Hub Insight Bank [here.](#)

Congressional Lookback

Wed. (4/30)

- **The House Education & Workforce Committee** held a markup of its reconciliation text concerning education programs and student loans. [Details.](#)
- **The Senate Appropriations Committee** convened the [first of a two-part hearing](#) series titled “Biomedical Research: Keeping America’s Edge in Innovation.” [Details.](#)

Tues. (4/29)

- **The House E&C Committee** [advanced](#) six health-related bills to the full House of Representatives during a full committee markup session. [Details.](#)

Regulatory Lookback

Fri. (5/2)

- **The White House OMB** shared the [toplines](#) of President Trump's fiscal year 2026 discretionary budget request with Congress. [Details.](#)
- **The CBO** [posted](#) a call for research on the budgetary impacts of nutrition standards in the Supplemental Nutrition Assistance Program. [Details.](#)

Thurs. (5/1)

- **HHS** [released](#) a 400-page [review](#) of research on gender-affirming care for transgender youth. [Details.](#)

Tues. (4/29)

- President Trump signed an [Executive Order](#) titled *Protecting American Communities from Criminal Aliens*, aimed at reinforcing federal immigration law and penalizing jurisdictions that defy it. [Details.](#)

Mon. (4/28)

- **The Trump Administration** released a [fact sheet](#) outlining steps taken to implement [Executive Order 14187](#), *Protecting Children from Chemical and Surgical Mutilation*. [Details.](#)

Comment & Application Deadlines

- **May 11:** The OMB issued an [RFI](#) inviting the public to submit suggestions for eliminating or revising federal regulations that are considered unnecessary, outdated, or burdensome. [Details.](#)
- **June 10:** CMS released the FY 2026 IPPS and LTCH PPS [proposed rule](#). [Details.](#)
- **June 10:** CMS released the FY 2026 IPF PPS [proposed rule](#). [Details.](#)
- **June 10:** CMS released the FY 2026 IRF PPS [proposed rule](#). [Details.](#)
- **June 10:** CMS released the FY 2026 Hospice Payment Rate Update [proposed rule](#). [Details.](#)
- **June 13:** NIST released the Initial Public Draft (IPD) [update](#) of the Privacy Framework Version 1.1, a voluntary guidance tool aimed at helping organizations identify and manage privacy risks. [Details.](#)
- **July 1:** The CDC [seeking nominations](#) for membership on the Clinical Laboratory Improvement Advisory Committee (CLIAC). [Details.](#)