

## Impact Health Policy Weekly

### Framing the week

Last week, the House passed a [minibus](#) of fiscal year (FY) 2026 appropriations bills, including a bipartisan package of health care extenders ([Impact Health summary](#)), and the Senate appeared poised to pass the same package this week ahead of the January 30<sup>th</sup> continuing resolution (CR) deadline. However, given the unfortunate events that unfolded in Minnesota this weekend, Senate Minority Leader Chuck Schumder is calling for Department of Homeland Security (DHS) funding to be stripped from the minibus to avoid shutdown. Republican leadership plans on proceeding with a vote on the full minibus on Thursday, but other Senate Democrats have indicated that they will not vote on the package unless the DHS funding, including ICE, is renegotiated, potentially teeing up a short-term government shutdown until an agreement is reached.

### Regulatory Update

The Office of Management and Budget completed its review of the following:

- The DOL/EBSA [proposed rule](#) to improve transparency into PBM fee disclosure.
- The [Advance Notice](#) of Methodological Changes for Calendar Year (CY) 2027 for Medicare Advantage (MA) Capitation Rates and Part C and Part D Payment Policies
- An [advance notice of proposed rulemaking](#) that would detail program incentives and requirements for Medicare providers and suppliers to invest and phase-in the procurement of American made personal protective equipment (PPE) and essential medicine to secure our nation's health and safety

OMB is also reviewing the following.

- **ACA Marketplace:**
  - The HHS Notice of Benefit and Payment Parameters for 2027 [proposed rule](#)
- **Medicaid:**
  - **State Directed Payments.** A [proposed rule](#) titled, "Medicaid Managed Care-State Directed Payments." The proposed rule appears intended to advance a [presidential memorandum](#) released on June 6, which directs HHS to "eliminate waste, fraud, and abuse in Medicaid, including by ensuring Medicaid payments rates are not higher than Medicare, to the extent permitted by applicable law."
  - **Medicaid Tax Waivers.**
    - A [proposed rule](#) titled, "Preserving Medicaid Funding for Vulnerable Populations – Closing a Health Care-Related Tax Loophole."
    - A proposed rule titled, "Amending the Indirect Hold Harmless Threshold of Health Care-Related Taxes."
- **Fraud and Abuse**
  - A proposed rule entitled, "Comprehensive Regulations to Uncover Suspicious Healthcare (CRUSH)."

- A proposed rule titled, Medicare and State Health Care Programs: Fraud and Abuse; Request for Information Regarding the Federal Anti-Kickback Statute and Beneficiary Inducements CMP
- **Prescription Drugs:**
  - A [proposed rule](#) on interoperability standards and prior authorization for drugs.
- **Health Technology:**
  - A [final rule](#) titled, Administrative Simplification: Adoption of Standards for Health Care Attachment Transactions and Electronic Signatures.
- **Immigration:**
  - **Unaccompanied Children.** An [interim final rule](#) titled, “Unaccompanied Children Program Foundational Rule; Update to Include Proof of Identity and Income Verification Standards.”

### This Week in Health Policy

#### Mon. (1/26)

- **12:00pm – CEI Discussion: PBM Oversight** – The Competitive Enterprise Institute holds a discussion with Rep. Eric Burlison (R-MO) on pharmacy benefit managers (PBMs) and how intrusive regulations on PBMs could limit invention and restrict patient options. [Details.](#)
- **12:00pm – NIH Meeting: Child Health/Human Development** – The National Institutes of Health (NIH) holds a meeting of the Eunice Kennedy Shriver National Institute of Child Health & Human Development to discuss program updates and physical therapy interventions for infants. [Details.](#)

#### Tue. (1/27)

- **10:00am – Hearing: Federal Public Safety Communications System** – The Senate Commerce, Science, and Transportation Subcommittee on Telecommunications and Media holds a hearing to examine the front lines of connectivity, focusing on FirstNet's role in public safety. [Details.](#)
- **1:00pm – FTC Meeting: Noncompete Agreements** – The Federal Trade Commission (FTC) holds a workshop focused on employee noncompete agreements. [Details.](#)
- **2:30pm – Hearing: Birthright Citizenship** – The Senate Judiciary Subcommittee on Constitution holds a hearing to examine protecting American citizenship, focusing on birthright citizenship. [Details.](#)
- **3:00pm – Hearing: Fraud in State/Federal Programs** – The Senate Homeland Security and Governmental Affairs Subcommittee on Disaster Management, District of Columbia, and Census holds a hearing to examine fraud in state and federal programs. [Details.](#)
- **4:00pm – Health Affairs Discussion: Accountable Care Outlook** – Health Affairs holds a discussion on the outlook for accountable care organizations (ACOs), including accountable care priorities from the CMS Innovation Center (CMMI). [Details.](#)

#### Wed. (1/28)

- **10:00am – Hearing: Educational Choice** – The Senate Health, Education, Labor, and Pensions Committee holds a hearing to examine educational choice in America. [Details.](#)
- **12:00pm – CMS Discussion: Childhood Obesity in Medicaid/CHIP** – The Centers for Medicare and Medicaid Services (CMS) holds a meeting on childhood obesity to highlight opportunities for state Medicaid and the Children’s Health Insurance Program (CHIP) programs to strengthen prevention and treatment efforts. [Details.](#)
- **1:00pm – NIH Meeting: Diabetes/Digestive and Kidney Diseases** – NIH holds a meeting of the National Diabetes and Digestive and Kidney Diseases Advisory Council to discuss working group updates. [Details.](#)
- **1:30pm – CRFB Discussion: Medicare Spending Reform** – The Committee for a Responsible Federal Budget (CRFB) holds its fourth annual Health Solutions Summit to discuss ways to curb rising Medicare spending and health care costs and the many reforms being considered by Congress. Kim Brandt, Deputy Administrator at CMS, and Sen. Peter Welch (D-VT) will be participating. [Details.](#)
- **2:00pm – Urban Discussion: Child Welfare Programs** – The Urban Institute holds a discussion on common challenges to evaluating child welfare programs. [Details.](#)
- **2:30pm – Hearing: Fraud in State/Federal Programs** – The Senate Judiciary Subcommittee on Federal Courts, Oversight, Agency Action, and Federal Rights holds a hearing to examine scammers, focusing on fighting fraud in Minnesota and beyond. [Details.](#)
- **2:30pm – Hearing: SBA Program Integrity** – The Senate Small Business and Entrepreneurship Committee holds a hearing to examine integrity in small business programs. [Details.](#)
- **4:00pm – Hearing: VA Reorganization** – The Senate Veterans’ Affairs Committee holds a hearing to examine a 21st century VA health care system, focusing on efforts to restructure the Veterans Health Administration. [Details.](#)

#### **Thurs. (1/29)**

- **9:30am – Hearing: Prescription Drug Labeling** – The Senate Aging Committee holds a hearing to examine truth in prescription drug labeling. [Details.](#)
- **12:30pm – NIH Meeting: AIDS Research** – NIH holds a meeting of the Office of the Director for a report from the Office of AIDS Research Director Geri Donenberg, update on the development of the NIH Strategic Plan and research practices for HIV research. [Details.](#)
- **1:00pm – NIH Meeting: Advancing Translational Sciences** – NIH holds a meeting of the National Center for Advancing Translational Sciences Advisory Council for a report from NIH Director Jay Bhattacharya and NCATS Director Joni Rutter, and program updates. [Details.](#)
- **2:00pm – CMS Discussion: LEAD Model** – CMS holds a meeting to provide an overview of the Long-term Enhancing ACO Design (LEAD) Model, including model goals, participation options, eligibility and payment methodology. [Details.](#)

#### **Featured Analysis**

- **Innovation Center Model Portfolio Overview** – In Policy Hub [here.](#)

- **Impact Health AI and Cyber Policy Roundup** – In Policy Hub [here](#).
- **Digital Health Roundup: Interoperability, CMS Health Tech Ecosystem, and Congressional Work** – In Policy Hub [here](#).
- **Updates on EPTC Extension: New Bipartisan Framework and a GAO Report on Fraud** – In Policy Hub [here](#).
- **Impact Health Vaccine Policy Tracker** – In Policy Hub [here](#).

### Congressional Lookback

#### Thurs. (1/22)

- The **House E&C Subcommittee on Health and the W&M Committee** convened hearings ([here](#) and [here](#)) with CEOs of five major commercial health insurers. [Details](#).

#### Wed. (1/21)

- The **House Budget Committee** convened a [hearing](#) focused on the rapid growth of health care costs and their implications for the federal budget. [Details](#).

#### Tues. (1/20)

- **Appropriations leadership** released a [minibus](#) that includes FY 2026 appropriations for HHS and a bipartisan package of enhanced health care extenders. [Details](#).

### Regulatory Lookback

#### Fri. (1/23)

- **HHS OCR** [rescinded](#) 2023 guidance titled “Guidance to Nation’s Retail Pharmacies: Obligations under Federal Civil Rights Laws to Ensure Nondiscriminatory Access to Health Care at Pharmacies.” [Details](#).

#### Thurs. (1/22)

- **President Trump** issued an [Executive Order](#), “Stopping Wall Street from Competing with Main Street Homebuyers.” [Details](#).
- **GAO** released a [report](#) examining HHS oversight of the national organ transplantation system. [Details](#).

#### Wed. (1/21)

- **HHS** released its [Fiscal Year \(FY\) 2025 Agency Financial Report](#). [Details](#).
- **CMS** released a [report](#) and [datasets](#) on the implementation of the Federal IDR process during the first six months of 2025. [Details](#).

### Comment & Application Deadlines

- **January 26:** CMS released the CY 2027 MA and Part D policy and technical changes [proposed rule](#). [Details](#).

- **January 31:** CMS issued the *Medicare and Medicaid Programs; Repeal of Minimum Staffing Standards for Long-Term Care (LTC) Facilities* [interim final rule with comment period](#). [Details](#).
- **February 6:** The GAO issued a [request](#) for letters of nomination and resumes for the Medicare Payment Advisory Commission. [Details](#).
- **February 7:** HRSA released a [notice](#) seeking public comment on an ICR related to the enrollment and annual recertification process for entities participating in the 340B Drug Pricing Program. [Details](#).
- **February 17:** CMS released a [proposed rule](#) that would prohibit Federal Financial Participation (FFP) in Medicaid for “sex-rejecting procedures” for children under the age of 18 and prohibit the use of federal CHIP funds for such care for children under the age of 19. [Details](#).
- **February 21:** CMS issued an [NPRM](#) for the Global Benchmark for Efficient Drug Pricing (GLOBE) Model. [Details](#).
- **February 21:** CMS issued an [NPRM](#) for the Guarding Against U.S. Medicare Against Drug Costs (GUARD) Model. [Details](#).
- **February 21:** HHS, DOL, and the Department of the Treasury released a Transparency in Coverage (TiC) proposed rule to amend health plan price transparency reporting requirements. [Details](#).
- **February 21:** HHS released a [Request for Information \(RFI\)](#) seeking broad public input on how the Department can accelerate the adoption and use of artificial intelligence (AI) as part of clinical care. [Details](#).
- **February 27:** ASTP/ONC released the Health Data, Technology, and Interoperability: ASTP/ONC Deregulatory Actions to Unleash Prosperity (HTI-5) [Proposed Rule](#). [Details](#)
- **March 31:** CMMI announced [GENEROUS \(GENERating cost Reductions fOr U.S. Medicaid\) Model](#). [Details](#).
- **June 3:** CMMI released a [NOFO](#) for the second cohort of the Innovation in Behavioral Health Model. [Details](#).