

Impact Health Policy Weekly

Framing the Week

Big Picture. Congress is in recess and will return next week to unfinished business. That includes Republicans' budget reconciliation to fund ICE and CBP, as well as historically bipartisan FISA reauthorization before it expires on June 12. Meanwhile, [House Budget Committee Chairman Jodey Arrington \(R-TX\)](#) is renewing his push for a third reconciliation package by the [end of July](#) focused on addressing waste, fraud, and abuse in safety net programs.

Health Policy to Watch

1. **Independent dispute resolution operations** final rule could be released today in the Federal Register at 4:15pm ET. The long-awaited [rule](#) cleared OMB review last Friday.
2. **Medicaid work requirements implementation guidance** could be out soon. The [interim final rule](#) has not yet cleared OMB review, but the statutory deadline is June 1.
3. **Medicare physician payment reform** is starting to take shape in the House. A [bipartisan discussion draft](#) from Reps. John Joyce (R-PA), Greg Murphy (R-NC) and Kim Schrier (D-WA) is out ([summary](#)). Ways & Means advanced a [bipartisan conversion factor bill](#), and Energy & Commerce held a [hearing](#) on physician payment ([summary](#)).

Regulatory Update

Completed OMB Review

- **No Surprises Act.** [Final Rule](#): Independent Dispute Resolution Operations

Pending OMB Review

- **Coverage and Payment:**
 - **Medicaid:**
 - **Medicaid Tax Waivers.** [Proposed Rule](#): Amending the Indirect Hold Harmless Threshold of Health Care-Related Taxes
 - **Work Requirements.** [Interim Final Rule](#): Establishing State Community Engagement Requirements for Certain Individuals Under Section 1902(xx) of the Social Security Act
 - **Managed Care.** [Proposed Rule](#): Strengthening the Integrity of Medicaid and CHIP Managed Care, Financing, and Access to Care
 - **Medicare.** Proposed Rules: CY 2027 policy changes and payment rates for [hospital outpatient departments](#), [physicians](#), [home health providers](#), and [ESRD facilities](#)
 - **Marketplace.**
 - [Proposed Rule](#): Exchange Pre-Enrollment Eligibility Verification
 - **Organ Transplant.** [Final Rule](#): Alternative Payment Model Updates and the Increasing Organ Transplant Access
 - **ERISA.** [Proposed Rule](#): Default Electronic Disclosures by Group Health Plans Under ERISA

- **Essential Health Benefits.** [Notice](#): Request for Information: Comprehensive Review of the Essential Health Benefits Framework and Typical Employer Standard
- **Drug Price Negotiation.** [Proposed Rule](#): Medicare Drug Price Negotiation Program
- **Pharmaceuticals.** [Notice](#): Oncology Pharmaceuticals: Streamlined Nonclinical Safety Studies for Biologics and Conjugated Products
- **Accrediting Organizations.** [Final Rule](#): Strengthening Oversight of Accrediting Organizations (AO), Burden Reduction, and Related Provisions
- **Nutrition**
 - **Work Requirements.** [Proposed Rule](#): Supplemental Nutrition Assistance Program: Modification to Work Requirements for Able-Bodied Adults
 - **Categorical Eligibility.** [Proposed Rule](#): Supplemental Nutrition Assistance Program: Reforming Categorical Eligibility
 - **Cost Sharing.** [Proposed Rule](#): Supplemental Nutrition Assistance Program: Changes in Federal-State Administrative Cost Sharing
 - **WIC.** [Final Rule](#): Special Supplemental Nutrition Program for Women, Infants and Children (WIC): WIC Online Ordering and Transactions and Food Delivery Revisions to Meet the Needs of a Modern, Data-Driven Program
- **Immigration.** [Interim Final Rule](#): Unaccompanied Children Program Foundational Rule; Update to Include Proof of Identity and Income Verification Standards
- **Medication-Assisted Treatment.** [Final Rule](#): Implementation of the SUPPORT Act: Dispensing and Administering Controlled Substances for Medication-Assisted Treatment
- **HIPAA.** [Final Rule](#): HIPAA Privacy Rule: Changes to Support Coordinated Care and Individual Engagement and Reduce Regulatory Burdens
- **Discrimination.** [Final Rule](#): Rescinding Portions of Department of Health and Human Services Title VI Regulations to Conform More Closely with the Statutory Text and to Implement Executive Order 14281

This Week in Health Policy

An overview of upcoming events is included below. Events highlighted in **orange** are those that we will be covering in detail:

Mon. (5/25)

- **Holiday – Memorial Day**

Tue. (5/26)

- **11:00am – NIH Meeting: Nutrition in Sickle Cell Disease** – The National Institutes of Health (NIH) holds a meeting of the National Heart, Lung, And Blood Institute to discuss nutrition in sickle cell disease. [Details.](#)

Wed. (5/27)

- **12:00pm – RAND Discussion: AI and Adolescent Mental Health** – The RAND Corporation holds a discussion on the promise and risk of artificial intelligence (AI) use by adolescents for mental health support. [Details.](#)
- **1:00pm – US News Discussion: Hospital Worker and Patient Safety** – U.S. News & World Report holds a discussion on how health systems are working to ensure the safety of both their patients and their providers. [Details.](#)

Thurs. (5/28)

- **8:30am – FDA Meeting: COVID-19 Vaccines** – The Food and Drug Administration (FDA) holds a meeting of the Vaccines and Related Biological Products Advisory Committee to discuss and make recommendations on the selection of the 2026-2027 Formula for COVID-19 vaccines for use in the United States. [Details.](#)

Featured Analysis

- **Reproductive Health Roundup** – In Policy Hub [here](#).
- **FDA Policy Roundup** – In Policy Hub [here](#).
- **Behavioral Health Roundup** – In Policy Hub [here](#).
- **Innovation Center Model Portfolio Overview** – In Policy Hub [here](#).

Congressional Lookback

Fri. (5/22)

- **Reps. John Joyce (R-PA), Greg Murphy (R-NC) and Kim Schrier (D-WA)** are working on a discussion draft of Medicare physician payment reform legislation. [Details.](#)
- **The House Ways & Means (W&M) Committee** [advanced](#) a series of bipartisan and Republican-led health care and oversight bills focused on Medicare reimbursement reform, expanding access to care, strengthening program integrity, and recovering fraudulent pandemic-era payments. [Details.](#)

Thurs. (5/21)

- **The House Energy and Commerce (E&C) Health Subcommittee** convened a [hearing](#) to discuss the Medicare Physician Fee Schedule (PFS), the Medicare Access and CHIP Reauthorization Act (MACRA), and potential payment reforms. [Details.](#)
- **House Budget Committee Chairman Jodey Arrington (R-TX), W&M Committee Chairman Jason Smith (R-MO), and House Energy and Commerce Committee Chairman Brett Guthrie (R-KY)** sent a letter to the Congressional Budget Office (CBO) raising concerns about significant upward revisions in Medicare Part D spending included in CBO's Budget and Economic Outlook: 2026 to 2036. [Details.](#)
- **The House Education and Workforce Committee** advanced a package of legislation during a markup that included measures related to pharmacy benefit managers (PBMs), hospital billing transparency, disability employment, and employee benefit plan reporting. [Details.](#)

Wed. (5/20)

- **Senate Finance Committee (SFC) Ranking Member Ron Wyden (D-OR)**, along with 16 Senate Democrats, [announced](#) a new plan to improve long-term care. [Details.](#)
- **Sen. Ron Wyden (D-OR) and Reps. Greg Landsman (D-OH) and Suzan DelBene (D-WA)**, along with 24 other Senate Democrats, [introduced](#) a Congressional Review Act (CRA) resolution to disapprove the WISer Model. [Details.](#)

Regulatory Lookback

Wed. (5/20)

- **The Office of the Inspector General (OIG)** [released](#) an evaluation examining how vertical integration in Medicare Part D affects sponsor drug costs, pharmacy reimbursement, and enrollee cost sharing. [Details.](#)
- **The Centers for Medicare and Medicaid Services (CMS)** issued a proposed rule further explaining the implementation of Section 71116 of H.R. 1, which limits the total payment rate for certain state directed payments. [Details.](#)

Tues. (5/19)

- **The Department of Health and Human Services (HHS) announced a reorganization of its Office for Civil Rights (OCR)**, restructuring the office into three distinct divisions focused on Conscience and Religious Freedom, Civil Rights, and Health Information Privacy, Data, and Cybersecurity. [Details.](#)

Mon. (5/18)

- **The Centers for Medicare and Medicaid Services (CMS)** issued the 2027 Notice of Benefit and Payment Parameters [final rule](#). [Details.](#)
- **President Trump** announced a major expansion of TrumpRx.gov, the Administration's direct-to-consumer prescription drug pricing platform. [Details.](#)

Litigation Highlights

- **Pending Supreme Court Decisions:** The Supreme Court is anticipated to continue releasing decisions this week, with the next decisions likely coming on May 28th. Cases that have not yet been decided include [Trump v. Barbara](#), the highly watched birthright citizenship case which the Supreme Court could announce anytime between now and early July.
- **Supreme Court Rejects Appeals from Drugmakers Challenging Medicare Price Negotiation Program:** On May 18, the Supreme Court declined to hear challenges from major pharmaceutical companies to Medicare's drug price negotiation program, leaving the policy intact. The court rejected appeals in six cases: [Novartis Pharmaceuticals Corporation v. Kennedy et al.](#); [Novo Nordisk Inc. et al. v. Department of Health and Human Services et al.](#); [Boehringer Ingelheim Pharmaceuticals, Inc. v. Department of Health and Human Services et al.](#);

[AstraZeneca Pharmaceuticals LP et al. v. Kennedy et al.](#); [Janssen Pharmaceuticals, Inc. v. Kennedy et al.](#); [Bristol Myers Squibb Co. v. Kennedy et al.](#) The cases challenged lower court rulings that had upheld the program under the Inflation Reduction Act. With the Court's refusal to grant review, those decisions remain in force, effectively preserving Medicare's authority to negotiate drug prices nationwide.

- **Federal Judge Protects Immigrant Survivors of Domestic Violence, Trafficking and Other Crimes from Detention and Deportation:** In [Immigration Center for Women and Children v. Mullin](#) a federal judge certified a nationwide class and blocked ICE policies that allowed detention and deportation of immigrants who are survivors of domestic violence, sex trafficking and other crimes. The court reinstated protections for relevant immigrant applicants and ordered the administration to return plaintiffs who were wrongly deported. For additional details, click [here](#).

For additional information regarding legal developments, please see our [litigation tracker](#).

Comment & Application Deadlines

- **May 17:** CMMI is [accepting applications](#) for the Long-term Enhanced ACO Design (LEAD) Model ([Impact summary](#)). [Details](#).
- **May 23:** The Agency for Healthcare Research and Quality (AHRQ) issued a formal request for nominations to fill upcoming vacancies on the U.S. Preventive Services Task Force. [Details](#).
- **May 26:** The Federal Trade Commission (FTC) and the Department of Justice (DOJ) [launched](#) a joint public inquiry regarding the effectiveness of the Hart-Scott-Rodino Antitrust Improvements Act's (HSR Act) premerger reporting requirements. [Details](#).
- **May 30:** The Food and Drug Administration (FDA) issued a request for information (RFI) on the use of digital health technologies (DHTs) in clinical investigations for drugs and biological products, seeking stakeholder feedback on opportunities and challenges related to the use of these tools in product development and regulatory review. [Details](#).
- **June 1:** CMS released the fiscal year (FY) 2027 inpatient rehabilitation facility (IRF) PPS proposed rule. [Details](#).
- **June 1:** CMS released the FY 2027 inpatient psychiatric facility (IPF) PPS [proposed rule](#). [Details](#).
- **June 1:** CMS released the FY 2026 skilled nursing facility (SNF) prospective payment system (PPS) proposed rule. [Details](#).
- **June 5:** CMS released the FY 2027 hospice payment rate update proposed rule. [Details](#).
- **June 3:** CMMI released a [NOFO](#) for the second cohort of the Innovation in Behavioral Health Model. [Details](#).
- CMS released the FY 2027 inpatient prospective payment system (IPPS) and long-term care hospital prospective payment system (LTCH PPS). [Details](#).
- **June 15:** CMS released a [proposed rule](#) to advance interoperability and improve prior authorization for prescription drugs. [Details](#).
- **June 25:** The Advanced Research Projects Agency for Health (ARPA-H) announced the Intelligent Generator of Research (IGoR) initiative to modernize how biomedical research is

conducted by addressing persistent inefficiencies in speed, coordination, and reproducibility. [Details.](#)

- **June 29:** The Food and Drug Administration (FDA) issued a notice proposing to exclude three widely used GLP-1 therapies – semaglutide, tirzepatide, and liraglutide – from the 503B Bulks List. [Details.](#)
- **June 29:** The Housing and Urban Development Department (HUD) issued a proposed rule to replace references to “gender” and “gender identity” with “sex” in program language. [Details.](#)
- **June 30:** FDA issued a Request for Information (RFI) seeking input on how obesity affects drug pharmacokinetics and pharmacodynamics during development. [Details.](#)
- **July 10:** The Departments of Labor, Health and Human Services, and Treasury announced a proposed rule to allow employers to provide standalone fertility benefits. [Details.](#)
- **July 31:** The ACL announced the [launch of Phase 1](#) of the ACL Caregiver AI Prize Competition. [Details.](#)