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Impact Health Policy Weekly

Framing the Week

Big Picture. The House is in recess until August 31, while the Senate is scheduled to depart at the end of this week and return on September 7. Before recessing, the Senate will attempt to pass a continuing resolution (CR) (text, section-by-section) that funds the government through December 11. **The Senate is scheduled to vote on the CR today**. The bill prevents the Office of Management and Budget (OMB) rule on federal grants from going into effect and includes a provision that requires OMB to submit a report on all recissions and cancellations that continue under the CR. Senate Minority Leader Schumer (D-NY) expressed support for the bill as a "responsible path forward that allows continued bipartisan negotiations." The House passed a clean CR before recessing that funded the government through December 4

Health Policy to Watch. Additionally, during this August period, Impact Health Policy Partners will provide a series of brief policy outlooks examining key priority areas likely to shape the health policy landscape this fall. This week, we are examining Medicare Advantage, prior authorization, and prescription drugs.

Medicare Advantage

The House Energy and Commerce Committee recently advanced several bills that address transparency in Medicare Advantage (MA) including transparency of supplemental benefits, medical loss ratio, as well as the Improving Seniors' Timely Access to Care Act which establishes prior authorization requirements (Impact summary). These were wrapped into the Lower Costs, More Transparency Act, which will serve as the House's health care package moving toward the end of the year. If Congress does choose to pursue a broader health care package at the end of the year, MA could be targeted as an offset. Bills like the Save MEDICARE Act (H.R. 9544), and the No UPCODE Act (S. 1105), would generate savings by addressing overpayments to MA plans.

On the regulatory side, the Clover Health v HHS court decision is dramatically impacting Star Ratings and the Quality Bonus Program. With the contract year (CY) 2028 MA and Part D policy and technical changes proposed rule arriving early at the Office of Management and Budget (OMB) for review this year, we could potentially see a major overhaul of MA's Star Ratings and quality bonus program.

Prior Authorization

Conversation on the Hill about prior authorization is picking up as part of the conversation about potential health care legislation. Recent committee activity on prior authorization includes:

- The Senate Finance Committee Democrats' request for information (RFI) on private insurance reforms includes a request for input on potential reforms to prior authorization, including imposing limitations or bans in certain circumstances, introducing a shared risk model, and replacing the existing system with third-party evaluators.

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- The House Energy & Commerce Committee marked up a handful of health care bills, many of which they wrapped into the Lower Costs, More Transparency Act (H.R. 9393), including:
    - The Improving Seniors' Timely Access to Care Act (H.R. 3514) which requires MA organizations to establish electronic prior authorization programs and meet certain beneficiary protection and reporting requirements.
    - The Prior Authorization Accountability Act (H.R. 9396) would require commercial insurers to publicly report information including approval and denial rates, appeal outcomes, response times, and the use of AI or other automated decision making in prior authorization determinations.
- The Ways & Means Committee also advanced the Improving Seniors' Timely Access to Care Act.

Issues with prior authorization have also gained attention due to criticism of the Centers for Medicare and Medicaid Innovation (CMMI) Wasteful and Inappropriate Service Reduction (WISeR) Model that tests the use of technology-enabled prior authorization for a select set of services in Traditional Medicare. The model has been live since January, but has faced significant pushback from Democrats and some patient and provider advocates who are concerned about delaying or denying care. A Congressional Review Act challenge to the model failed along party lines, but several groups of Democrats have sent questions requesting updates on model implementation and there is an ongoing lawsuit alleging that CMS failed to be transparent and respond to a Freedom of Information Act request. The agency maintains that early implementation involved some learning and adjustments, but that the model is working as intended to speed approvals, block unsupported services, and reduce administrative burden.

Prescription Drugs

While President Trump has called for the codification of his Most Favored Nation (MFN) drug pricing policies, Congressional support has been relatively limited among Republicans, with Sen. Josh Hawley (R-MO) being one of the lone Republicans to sponsor such legislation. However, we have seen support growing for bills that would increase biosimilar competition, such as the Biosimilar Red Tape Elimination Act (S. 1954/H.R. 5526) and the Expedited Access to Biosimilars (S. 1414, H.R. 9661), which have been marked up in both chambers.

Administratively, CMS recently released the notice to implement the 340B Rebate Model Pilot Program (Impact summary) and continues to implement the Medicare Drug Price Negotiations Program, with the final rule codifying the regulations on the horizon. However, uncertainty remains regarding the GLOBE and GUARD Models, with both final rules currently pending at OMB. President Trump is also likely to continue touting his Most Favored Nation deals, as well as TrumpRx.

Regulatory Update

Recently Arrived at OMB

- **Transparency.** Final Rule: Transparency in Coverage

All other pending regulations can be found here.

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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. (8/3)

- **10:00am – HHS Meeting: Alzheimer's Research/Care/Services** – The Department of Health and Human Services (HHS) holds a meeting of the Advisory Council on Alzheimer's Research, Care, and Services to discuss to discuss federal Alzheimer's disease research, care, and policy priorities, including updates from federal agencies and a briefing on the Robotic-Enabled Microsurgical Intervention for Neurodegenerative Disease (REMIND) Study. Details.

Tue. (8/4)

- **10:00am – Hearing: Health Care Resilience Through Biotechnology** – The Senate Finance Subcommittee on Health Care holds a hearing examining the role of biotechnology in strengthening U.S. health care resilience and preparedness. Details.
- **10:00am – Hearing: H.R.1 Medicaid Cuts** – The Senate Budget Committee holds a hearing examining the current state of the Medicaid program, including its role in providing health coverage, the program's fiscal outlook, and the potential impact of H.R.1's cuts on beneficiaries, states, and the federal budget. Details.
- **2:30pm – Hearing: AI Surveillance Pricing and Consumer Protection** – The Senate Judiciary Subcommittee on Crime and Counterterrorism holds a hearing examining how companies use consumer data and artificial intelligence to enable surveillance-based pricing and personalized pricing practices. Details.

Wed. (8/5)

- **10:00am – Markup: Children's Online Safety and AI Legislation** – The Senate Commerce, Science, and Transportation Committee holds a markup to consider a package of bipartisan legislation addressing children's online safety, privacy, and artificial intelligence. Key measures include the Kids Online Safety Act (S. 1748), Youth AI Privacy Act (S. 4199), CHATBOT Act (S. 4407), and the SCREEN Act (S. 737). Details.

Thurs. (8/6)

- **10:30am – FCC Meeting: Rural Telehealth Program** – The Federal Communications Commission (FCC) holds a meeting to consider a Third Further Notice of Proposed Rulemaking and accompanying order to improve the Rural Health Care Program. The proposal seeks comment on reducing administrative burdens, improving administration of limited program funding amid rising participation and costs, and would allow providers to use previously approved rural rates for Funding Year 2027 instead of obtaining new cost-based justifications. Details.

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Featured Analysis

- **2026 Regulatory Outlook** – In Policy Hub here.
- **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

Thurs. (7/30)

- **Sen. Wyden** released an RFI on private insurance reforms. Feedback and recommendations are due October 2. Details.
- **The Senate HELP Committee** convened a session to advance the nominations for the CDC and ASPR. Details.

Mon. (7/27)

- **Reps. Murphy and Schrier** issued an **RFI** for the ***Patients First Act***. Comments are due August 21. Details.
- **Sen. Baldwin** questioned the Trump Administration's decision to discontinue funding for approximately $94 million in AHRQ grants supporting health services research and workforce training. Details.

Regulatory Lookback

Fri. (7/31)

- **CMS** issued the FY 2027 IPPS/TCH final rule. Details.
- **HRSA** issued a notice on the availability of the revised 340B Rebate Model Pilot Program. Details.

Thurs. (7/30)

- **CMS** issued the FY 2027 hospice payment rate update. Details.
- **CMS** issued the FY 2027 IRF PPS final rule. Details.

Wed. (7/29)

- **CMS** issued the FY 2027 SNF PPS final rule. Details.
- **CMS** issued the FY 2027 IPF PPS final rule. Details.
- **CMS** released the preliminary Part D 2027 NAMBDA information, as well as the conclusion of the Part D Premium Stabilization Demonstration. Details.
- **HHS Secretary RFK Jr.** met with healthcare professionals, medical societies, leaders, and behavioral health experts who have signed a pledge to strengthen behavioral health by advancing best practices for improving mental health and addiction care. Details.
- **The Trump Administration** released the United States Government Policy for Stopping High-Risk Life Sciences Research. Details.

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Tues. (7/28)

- **CMS** celebrated the anniversary of the Health Tech Ecosystem announcement. Details.
- **The EEOC** issued a proposed rule to rescind longstanding workforce demographic reporting requirements under Title VII of the Civil Rights Act of 1964. Comments are due August 24. Details.

Mon. (7/27)

- **HHS and the Department of Education** finalized several related rules implementing President Trump's Executive Orders on civil rights enforcement and deregulation. Details.

Litigation Highlights

- **Medicaid Work Requirements**

In *Commonwealth of Massachusetts v. Oz (D. Mass.)*, a **judge denied a coalition of 25 states' request for a preliminary injunction to block CMS's interim final rule implementing Medicaid work requirements**. The judge found that the states had not shown irreparable harm, citing the federal government's commitment to cover 90% of implementation costs and noting that many challenged deadlines were established by Congress, not CMS. The court stressed that **the ruling does not address the merits of the states' claims**. Instead, it recognized that the case raises significant questions about the scope of Congress's delegation of authority to the HHS Secretary and whether the rule reflects congressional intent – questions the judge believes must be decided after full consideration and at the summary judgement stage of the case. In the meantime, the judge ordered **expedited proceedings** ahead of the January 1, 2027 implementation deadline and noted that the **states could potentially seek renewed or emergency injunctive relief.**

For additional information regarding legal developments, please see our litigation tracker.

New Comment & Application Deadlines

- **August 21:** Reps. Murphy and Schrier issued an RFI for the *Patients First Act*. Comments are due August 21. Details.
- **August 24:** The EEOC issued a proposed rule to rescind longstanding workforce demographic reporting requirements under Title VII of the Civil Rights Act of 1964. Details.
- **October 2:** Sen. Wyden released an RFI on private insurance reforms. Details.

All other open comment and application deadlines can be found here.