Nov. 24, 2025

Legislative Update: House Ways & Means, Senate Finance Committees Hold Hearings on the Care Coordination and Rising Health Care Costs

Overview:

Senate Finance Hearing on The Rising Cost of Health Care: Considering Meaningful Solutions for All Americans:

On Nov. 9, the Senate voted to end the longest federal government shutdown in history, with Majority Leader John Thune (R-SD) promising to hold a floor vote on a bill to extend the expiring Affordable Care Act (ACA) enhanced premium tax credits (PTCs) in mid-December. On Nov. 19, the Senate Committee on Finance held a hearing to discuss solutions to lower Americans' health care costs, in which witnesses and Senators primarily focused on the role of the ACA.

Republican Senators and witnesses Dr. Douglas Holtz-Eakin (President, American Action Forum) and Dr. Brian Blase (President, Paragon Health Institute) discussed what they view as unintended consequences of the ACA and enhancement of the PTCs, including overregulation of the insurance market and perverse incentives benefitting large insurers, increasing insurance premiums and enrollment fraud amongst zero-premium plans, and the one-size-fits-all ACA framework that limits patient choice in health care spending. Witnesses offered a number of policy proposals that would shift financial assistance directly to patients, increasing consumer choice through the use of Health Savings Accounts (HSAs), Flexible Spending Accounts (FSAs), and flexible coverage options such as association health plans for small businesses and short-term limited duration plans.

Democratic Senators and the remaining witnesses, Jason Levitis (Senior Fellow, Urban Institute) and Bartley Armitage (patient advocate) centered much of their allotted time to the benefits that enhanced ACA PTCs and the program at-large provide, as well as the dire consequences patients, insurers, and providers face should the enhanced PTCs lapse on Dec. 31. While health insurers and government agencies have implemented contingency measures to accommodate a short-term "clean" extension of enhanced PTCs should a deal be reached before Dec. 31, any deal with substantive policy changes would like lead to increased premiums or lapses in coverage for plan year 2026.

Members of Congress from both chambers have offered dozens of proposals to extend or modify the enhanced PTCs. This includes short-term extensions without modifications to PTC eligibility, such as a one-year extension offered by the Bipartisan Premium Tax Credit Extension Act, or a three-year extension offered by House Democrats via a discharge petition. Over in the Senate, Senator Rick Scott (R-FL) introduced a bill that would keep the original ACA tax credits in place, while allowing the *enhanced* PTCs to lapse. States would then be able to submit waivers to replace the original premium tax credits with federal contributions to HSA style accounts, dubbed "Trump Health Freedom Accounts." Funds for these accounts would be eligible for use in plans outside of the ACA Marketplace, such as short-term limited duration plans. Senator Bill Cassidy (R-LA), who chairs the Committee on

Health, Education, Labor and Pensions (HELP), recently introduced a narrower measure that would keep the original ACA PTCs in place while converting the enhanced PTCs to federal HSA contributions. HAS contributions would only be available to beneficiaries enrolled in ACA bronze level plans, and funds would only be eligible for out of pocket medical expenses such as copays and deductibles, rather than premium payments. On Nov. 24, several publications reported on an anticipated White House proposal that would've extended the enhanced PTCs for two years, coupled with a cap on eligibility up to 700% of the federal poverty level and an introduction of minimum premium payments for ACA beneficiaries. However, an official release of the plan was delayed following significant congressional backlash.

House Ways & Means Health Subcommittee Hearing on Modernizing Care Coordination to Prevent and Treat Chronic Disease:

Later in the afternoon on Nov. 19, the House Ways & Means Subcommittee on Health held a hearing on Modernizing Care Coordination to Prevent and Treat Chronic Disease. Witnesses and Members of Congress on both sides of the aisle agreed that care coordination is critical for chronic disease prevention. Care coordination was applauded as a proactive rather than reactive form of treatment that centers on the patient. Witnesses spoke to drivers of high-cost care including issues that limit providers ability to invest in population health infrastructure, unstable reimbursement rates, and misaligned incentives. Solutions offered by witnesses include strengthening Medicare reimbursement, alternative payment models, enhancing payment for preventive services and primary care, and making Medicare telehealth flexibilities permanent. Republican Members of the Subcommittee also pointed to unnecessary regulations and reducing complexity in health care delivery and virtual/community based care as additional solutions, while Democratic Members argued that provider consolidation and the loss of enhanced ACA PTCs would prevent patients from accessing care in general. ACA enhanced PTCs again became a major point of contention during this hearing, with the GOP favoring patient choice-based alternatives such as HSAs and Democrats favoring clean extensions of the enhanced tax credits.

Critically, this hearing featured testimony of Ms. Allison Reichert, an independent pharmacist working in Illinois. Ms. Reichert spoke to the essential contributions of pharmacists in rural communities, including their ability to manage and prevent chronic disease in coordination with other providers. Ms. Reichert spoke to the fact that pharmacists are often the most accessible providers. They offer after hours emergency lines, provide vaccines to workplaces and senior living facilities, and often stand as the only care facility in rural areas. She also spoke to the need for enhanced interoperability and access to real time health data to strengthen patient care services. Ms. Reichert specifically named H.R 3164, the Ensuring Community Access to Pharmacist Services (ECAPS) Act, which can allow Medicare to reimburse for tests and treatments, provided by pharmacists to Medicare beneficiaries. With passage of the ECAPS Act, Ms. Reichert argued, pharmacists could better assist in reducing hospitalizations, prevent chronic disease, and strengthening the care team.

Senate Finance Witnesses:

- Douglas Holtz-Eakin, Ph.D. President, American Action Forum – Written Testimony
- Jason Levitis, Senior Fellow, Health Policy Division, Urban Institute – Written Testimony
- Brian Blase, Ph.D. President, Paragon Health Institute – Written Testimony
- Bartley Armitage – Written Testimony

House Ways and Means Witnesses:

- Dr. Michael Hoben, M.D., Chief Medical Officer of Population Health Services, Novant Health – Written Testimony
- Mrs. Allison Reichert, PharmD, Pharmacist, Bode Drug - Written Testimony
- Dr. Ashish Parikh, M.D., Chief Population Health Officer, Summit Health – Written Testimony
- Mr. Brian Connell, Vice President of Federal Affairs, Blood Cancer United – Written Testimony

Senate Finance Committee Leadership:

- Chairman Mike Crapo (R-ID) - Opening Statement
- Ranking Member Ron Wyden (D-OR)

House Ways & Means Health Subcommittee Leadership:

- Chairman Vern Buchanan (R-FL) – Opening Statement
- Ranking Member Lloyd Doggett (D-TX)

Question and Answer Summary – Senate Finance Hearing on The Rising Cost of Health Care: Considering Meaningful Solutions for all Americans (Recording)

Chairman Crapo: Dr. Holtz-Eakin, can you expand on the concept of delivering financial assistance through Health Savings Accounts for those in bronze and catastrophic plans?

Dr. Holtz-Eakin – The benefit will be limited in the near term but could increase uptake of HSAs in the next plan year.

Chairman Crapo - Mr. Blase, you mentioned the concept of appropriating CSR funding into HSAs. Can you elaborate?

Mr. Blase – The ACA didn't have valid appropriations for the cost sharing reduction program. A federal court ruled CSR payments illegal, so insurers increased premiums that the subsidies are tied to, increasing total subsidization. CSR appropriations would lower benchmark premiums, reducing federal subsidies. It would replace the subsidy that goes directly to the health insurer.

Chairman Crapo – You mentioned other ideas to increase affordability. Can you expand on those?

Mr. Blase – The first Trump admin created options to help small businesses like association health plans and short term limited duration insurance. It doesn't make sense that federal health policy discriminates against small businesses in favor of large businesses.

Ranking Member Wyden – Bartley, we hear different tax incentives from my GOP colleagues, but it sounds like more "junk insurance." How do you interpret these policies?

Mr. Armitage – Insurance helped us manage our medical bills, which cut into our budget tremendously. A lot of these ideas are out of my depth, so I'm confused and concerned.

Ranking Member Wyden – How does it feel when people at the other end of the table tell you when it's time to retire?

Mr. Armitage – I worked construction which is physically taxing. Working until age 66 isn't feasible for me.

Ranking Member Wyden – Mr. Levitis, we have 24 different health tax accounts available, now discussing option #25. Why are you skeptical of this?

Mr. Levitis – It's just too late at this point for any substantive changes for plan year 2026. A few thousand dollars in an account will not make a difference for those with high medical bills.

Ranking Member Wyden – How can you take on "big insurance" in a way that tackles rising costs?

Mr. Levitis – The ACA helped, but insurers still are greedy with policies such as prior authorization, step edits, etc.

Senator Chuck Grassley (R-IA) – High health care costs are top of mind for Iowans. I'm working to bring transparency and accountability into PBM tactics. PBMs play major role in the drug supply chain, functioning as middlemen. My bipartisan legislation would increase transparency to hold PBMs accountable. The ACA did not bend the cost curve down, and people couldn't keep their plan if they liked it. We need solution for all Americans to afford healthcare while ensuring preexisting conditions are protected. Dr. Holtz-Eakin, you said some recent legislation could inhibit the comparative advantage of private market. Can you expand on this?

Dr. Holtz-Eakin – My concern is that mandates as opposed to transparency restricts the ability of the private sector to control costs. This was my concern with the one-size-fits-all nature of the ACA from the outset. A way to get better health policy is to remember that the delivery of care is an economic activity. We should have the same standards for good health policy that we do with good economic policy.

Senator John Cornyn (R-TX) – Our national debt is approaching $28 trillion. ACA proponents say we should use more tax dollars to subsidize insurance. The federal government treats everyone the same under the ACA, which is why consumer choice may be a better alternative. Dr. Blase, we've seen how insurance companies are enriched and incentivized to sign up as many people as possible.

Dr. Blase – Yes, subsidies are payments from the Treasury directly to insurance companies, who benefit from this fraud by enrolling people who don't even know they are covered.

Senator Cornyn- How could someone be covered by an aca policy and not even know it?

Dr. Blase – When enhanced subsidies were made fully taxpayer funded, fraud schemes would proliferate to manipulate applications. The taxpayer pays the full premium for these people, while many of these folks didn't even file a single claim.

Senator Michael Bennet (D-CO) – The American health care system is broken. The immediate task before us is to extend these enhanced premium tax credits.

Mr. Levitis – Yes. Insurance is not perfect, but people need insurance to cover the cost of their care.

Senator Bill Cassidy (R-LA) – We've seen remarkable agreement between Democrats and Republicans that Obamacare failed to decrease costs. Deductibles are too high and act as barriers to insurance. Dr. Blase, tell us how an HSA affects health care costs

Dr. Blase– AN HSA can lead to a 15-20% reduction in health care costs. Americans can be wise consumers by using the funds to identify lower cost options that work for them.

Senator Cassidy – Dr. Holtz-Eakin, can you explain the medical loss ratio (MLR) that profit insurers?

Dr. Holtz-Eakin – The ACA's MLR dictates that a minimum of 80% of premium payments must be used for care, 20% can go to cover insurer overhead and profit.

Senator Sheldon Whitehouse – We know that fee-for-service doesn't work, and the quicker we move to Value-Based-Arrangements the better. ACOs have worked extremely well in red and blue states alike. The specialists also have too much control over what gets charged, give more leverage to primary care providers. Prior authorization is also a cost driver. I'd like to get rid of prior approval in value based care. Mr. Armitage, how do you feel about individuals who are about to get hit with increases?

Mr. Armitage – I appreciate the discussion for improving health insurance in the future. My immediate concern is Jan. 1, 2026, when our premium payment increases by 500%.

Senator Steve Dianes (R-MT) – Debate over the COVID-era subsidies shows an underlying reality. Obamacare is unaffordable and fundamentally broken. Permanent enhanced subsidies would cost taxpayers $400 billion. Any path forward requires reforms. Obamacare was also a departure from the Hyde amendment. Any reforms must restore consensus that taxpayer funds shouldn't subsidize elective abortions. Dr. Blase, what structural reforms would lower premium costs?

Dr. Blase – The worst thing Congress could do is perpetuate inefficiencies. Alternatives include small businesses to band together in association health plans, short term limited duration plans, and to look at ACA regulations driving the costs of premiums such as MLR and subsidies.

Senator Tina Smith (D-MN) – There is one way to keep premiums from skyrocketing come Jan 1. That one way is a clean extension of. Mr. Levitis, what would sending direct payments to Americans through HSAs look like?

Mr. Levitis – Two things; people still couldn't afford insurance, and premiums would go up for everyone thus increasing costs.

Senator Smith – Mr. Armitage, you've spent years paying off debt. Would a check for $6500 solve it?

Mr. Armitage - It would only cover a few months of care

Senator Smith – The GOP wont' agree to lowering your costs unless private insurance banned from covering abortion care. Can federal funds be used to pay for abortion care? Can ACA tax credits pay for abortion care? Does the ACA already prohibit funding for abortion?

Mr. Levitis – No. The ACA's language couldn't be clearer in prohibiting funding for abortion.

Senator Ron Johnson – I'm happy to repair damage done by Obamacare. Mr. Levitis, did Obamacare really lower the cost of premiums by $2500 a year? We've taken consumerism out of health care, isn't that a root cause? Not the over-bloated federal system?

Mr. Levitis – Yes it has lowered premiums over time.

Senator Johnson – The answer is no it hasn't.

Senator Maria Cantwell (D-WA) – We have 13 working days until ACA open enrollment ends for coverage by Jan 1. Mr. Levitis, do you believe that basic health plans (BHPs) could lower costs and premiums overall?

Mr. Levitis – I do agree, I advise states on controlling costs, who find that basic health program gives them flexibility to control costs. Extending the BHP to higher incomes could be a way to smooth out health care cost concerns.

Senator Maggie Hassan (D-NH) – Our constituents are facing much higher costs. Mr. Armitage, we're over two weeks into open enrollment. My constituents see out-of-pocket costs increasing on the marketplace by thousands of dollars. What are the difficult decisions your family is facing?

Mr. Armitage – My wife and I are on fixed income, so we're working out budgets. A 500% insurance payment increase is a major blow to our daily lives.

Senator Hassan – Mr. Levitis, can congress still lower cost for 2026 if they pass aca ptc extension by mid-December?

Mr. Levitis - Yes, government and payer I.T. systems have built platforms to accommodate this. They have prepared for this contingency.

Senator Catherine Cortez Masto (D-NV) – Mr. Levitis, if the ACA PTCs expire, which reforms can be made in the short term before we destabilize the market?

Mr. Levitis – The only option in place for this year is simply extending the enhancements. Even a change like lowering eligibility could take many weeks or months to accommodate.

Senator Cortez Masto – Would a check in the mail guarantee coverage of preexisting conditions? Does anyone see the risks in implementing a new subsidy structure?

Mr. Levitis – No and it wouldn't be enough to cover catastrophic coverage. There is actually evidence that things like FSAs increase health care spending.

Senator John Barrasso (R-WY) – I've been warning that Obamacare would increase premiums. If temporary subsidies were a solution, why have premiums still skyrocketed? How can a family exercise choice when only one insurer exists?

Dr. Blase – The ACA has underlying problems, and the subsidies exacerbated it. They need additional options like farm bureau plans, and short term limited duration insurance. The One Bige Beautiful Bill Act addressed structural problems and put the Rural Hospital Transformation Fund to help rural areas and expand access to care.

Senator Barrasso – Can you discuss zero premium plans?

Dr. Blase – Fully subsidized plans have created a recipe for massive enrollment schemes. We estimate 6 million improper enrollees nationwide. Many didn't use their health plan a single time during the last plan year, which is evidence of fraudulent enrollment.

Senator Elziabeth Warren (D-MA) – Mr. Levitis, how much more will families with ACA coverage have to pay in premiums on average?

Mr. Levitis - About double. Average of about $1,000, or much higher.

Senator Warren – Will everyone with ACA coverage pay higher premiums?

Mr. Levitis – Yes everyone. Premiums on employer coverage will also grow due to additional factors such as tariffs.

Senator Roger Marshall (R-KS) – My concern that overregulation would lead to consolidation within the industry. Just because you have Obamacare doesn't mean you have access to care. I believe in three principles – make patients consumers, promote transparency, and let people understand the price of what they're paying for. My Patients Deserve Price Tags (S. 2355) bill could help bring down premiums. Dr. Blasé, do you believe making patients consumers would foster innovation?

Dr. Blase – Yes, we need a health sector that serves the patient and puts patient in control.

Senator Ben Ray Lujan (D-NM) - Does taking a trillion dollars out of federal healthcare spending help or hurt people?

Dr. Holtz-Eakin – It depends on how you take it out.

Senator Thom Tillis (R-NC) – Nothing said today reflects a coherent strategy to lower health costs. Many actors in the health care system need to be reformed in order to lower costs. Dr. Holtz-Eakin, if we had catastrophic plans available to everyone, what would risk pool and market segmentation look like over next few years?

Dr. Holtz-Eakin – You'd see overall risk pool get healthier, insured people would go up, cheaper for government, cost of catastrophic/bronze plans drop sharply.

Senator Raphael Warnock (D-GA) – Healthcare is far too expensive for too many Americans. Mr. Levitis, which states have families benefited the most from enhanced PTCs?

Mr. Levitis – States that haven't expanded Medicaid, as lower income folks have the PTC as the only affordable option.

Question and Answer Summary – House Ways & Means Health Subcommittee Hearing on Modernizing Care Coordination to Prevent and Treat Chronic Disease (Recording)

Representative Adrian Smith (R-NE) – Chronic disease diagnoses are ever increasing in the U.S. I'm a fan of pharmacists and the opportunity we have to tap into their ability in rural and urban communities. Proud of my legislation, ECAPS, which offers Medicaid patients more options already

provided in Medicaid and commercial markets. Mrs. Riechert, in a state where a pharmacist can tes or treat, how can the pharmacist inform the primary care provider about the treatment?

Ms. Reichert – The current form of communication is via telephone. Enhanced interoperability would benefit pharmacist-provider relationships but also patients. Working with providers is a cornerstone of the profession.

Rep. Smith – Community pharmacies are closing across the country, how could ECAPS allow them to maintain their pharmacies?

Ms. Reichert – ECAPS helps to preserve care for patients who need it most, shifting from ERs to accessible community settings.

Ranking Member Doggett – if we have 15 million Americans without access to care, physicians and pharmacies will suffer with patients who can't pay. What will happen if patients with chronic conditions get direct payments in HSAs?

Mr. Connell – if we scrap tax credits, patients would buy plans with higher deductibles and costs would be shifted to consumers. When this happens, patients are stuck with more bills and cut back on more care. After 65, these patients can also use these funds for non-medical funds like vacations.

Representative Greg Murphy (R-NC) – The comments on consolidation are spot on. You went off the rails when talking about PTCs. ACA was written by insurance companies for insurance companies. How much did someone at 100% poverty level pay per year for Obamacare before the enhanced PTCs? I think patients need to pay some premiums to have skin in the game.

Mr. Connell – I'm not aware.

Rep. Murphy – Dr. Hoban, what is the biggest driver of chronic disease?

Dr. Hoban – Lifestyle choices, access to healthy food, exercise and healthy behaviors.

Rep. Murphy - How can I trust pharmacists when commercials tell them to provide Paxlovid, and they're employed by vertically integrated PBMs?

Ms. Reichert – Pharmacists are medication experts and would only treat patients when appropriate.

Representative Mike Thompson (D-CA) – We can't discuss care coordination if patients can't get the insurance they need to see a doctor. Medicare Part D premiums will also increase 9.7%, so ACA enrollees won't be the only ones with increased premiums. Rural Americans will also need to rely on telemedicine to receive care. I've got legislation that would permanently extend telehealth flexibility. Mr. Connell, how could a patient get care without insurance?

Mr. Connell – There are no self-pay cancer patients in the U.S. Costs can climb to as high as $1 million.

Rep. Murphy - Dr. Parikh, what are the main drivers of health care costs?

Dr. Parikh – Doubling down on prevention and preventative services. And aligning incentives so all health care stakeholders want to increase the value of care.

Rep. Murphy – We are living longer primarily because we intervene, which is partially due to patient choice. Throwing money to insurers doesn't fix the problems. I'm not sure if electronic medical records is the solution.

Representative Judy Chu (D-CA) – We can't talk about lowering costs when patients can't access care anyway. Californias will pay $1000 more on average next year. I've heard my colleagues discuss insurance company profits, even though insurers make their biggest margins from Medicare Advantage. MA margins are almost double that of the other lines of business. Mr. Connell, what does Republican inaction mean for your members with blood cancer?

Mr. Connell – We expect 1.7 million people with chronic conditions to lose coverage next year if enhanced PTCs expire. Many will become too sick to work and end up in ERs. They'll exhaust savings, college funds, and charity care and many will perish as a result.

Representative Kevin Hern (R-OK) – Our rural patients have trouble finding care nearby. I've seen the Oklahoma State University mobile care program help treat rural patients. Telehealth and mobile health are incredibly important for our rural patients. Dr. Hoben, what benefits have we seen with access to mobile health clinics?

Dr. Hoben – Easier access venues help us land on better outcomes by decreasing complications.

Rep. Hern – You say that people will lose health care. Does the PTC lower employer based insurance beneficiaries?

Mr. Connell – The PTC does not go to those with employer-based insurance.