Capitol Insights Newsletter
December 5, 2025

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What Happened in Congress This Week?

Both the House and Senate were in session this week. Congress remained focused on determining a path forward on extending enhanced eligibility for Affordable Care Act (ACA) premium subsidies that expire at the end of the year. The Senate will vote on a bill addressing this issue next week; however, the exact bill has yet to be determined. Legislators in both the House and Senate are discussing various bipartisan compromises, but no proposal has emerged as a frontrunner. Chances of Congress passing legislation to extend the enhanced subsidy eligibility remain low unless President Trump or Republican Congressional Leadership endorses a specific proposal.

Relatedly, the Senate HELP Committee's hearing, "Making Health Care Affordable Again: Healing a Broken System," which was held on Wednesday morning, centered on the imminent expiration of enhanced Affordable Care Act (ACA) subsidies. The hearing continued to display strong partisan divides over whether to extend the policy or pursue alternatives. Democrats broadly urged a clean extension to prevent steep premium increases and coverage losses, while Republicans criticized the ACA's structure and taxpayer cost. However, a few Republicans notably acknowledged that an immediate replacement is unrealistic and showed openness to a short-term extension.

CMS Sends Out Dear Doc Letter Outlining 2026 Agency Priorities

This week, the **Centers for Medicare and Medicaid Services (CMS)** released a letter to Medicare Providers which offers a high-level overview of CMS' priorities for next year. This CMS "Dear Doc" letter highlighted five priority areas for 2026:

Reducing Administrative Burdens
Notably, CMS is planning to reduce the number of quality measures by 5% every year, which is intended to reduce the burdens associated with value-based payment programs such as MIPS. Reducing these reporting burdens will help physicians focus their efforts on treating patients.

Reducing regulatory burden on where and how clinicians deliver care

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CMS is working to better understand the cost of delivering care outside of hospital and facility settings and ensure that care is adequately compensated. CMS also plans to continue sustained flexibility for teaching physicians providing telehealth. It would not be surprising to see CMS continue to embrace these principles in 2026. CMS also highlights how it will begin phasing out the inpatient only list, which will shift more care to the outpatient setting.

Improving program integrity

CMS remains committed to combating waste, fraud, and abuse within the Medicare program. The letter did not articulate specific priorities or plans for next year.

Aligning payment with outcomes

The Trump Administration remains very supportive of value-based care models. It cites the Ambulatory Specialty Model (ASM) as an example, which was a notable aspect of this year's Medicare Physician Fee Schedule (PFS). The ASM model is a mandatory model for lower back pain and heart failure set to take effect in 2027. CMS also previews changes to the Medicare Shared Savings Program (MSSP), one of CMS' largest Accountable Care Organization (ACO) models.

Leveraging technology to promote whole-person care

CMS wants to continue embracing technology to make people healthier. This includes improving health IT infrastructure to provide revenue certainty at the point-of-care and ensure more timely access to essential clinical information.

Additionally, CMS is reminding participating providers to check and verify their data in the National Plan and Provider Enumeration System (NPPES).

Conclusion

CMS created an email inbox (MedicareProviderFeedback@cms.hhs.gov) that providers can use to share additional feedback with CMS. This inbox will remain active for two months.

Top Stories in Healthcare Policy

CMS published the CY2026 Hospital Outpatient Prospective Payment System (OPPS) final rule.

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The Trump administration signed an executive order directing the Department of Energy and other science agencies to aggressively deploy artificial intelligence (AI). This has been termed the "Genesis Mission" and is slated to help accelerate scientific breakthroughs in pharmaceuticals, energy production, and engineering.

CMS announced the results of the most recent round of Medicare Drug Price Negotiations, leading to lower prices on 15 drugs for Medicare beneficiaries. This includes discounts for drugs such as Ozempic, Wegovy, and Ibrance.

CMS has proposed an overhaul to the Medicare Advantage star ratings program in a proposed rule released last week. The proposal includes ending current incentives for plans that improve the health of low-income and disabled enrollees and reintroducing a bonus system for plans that demonstrate consistent high performance. CMS estimates that these changes could increase payments to Medicare Advantage plans by $13.2 billion from 2028 to 2036.

A bill extending flexibilities for Medicare patients receiving home care recently passed in the House. If it passes in the Senate and is signed by the President, patients will be able to receive inpatient-level care at home through in-person doctor visits and telehealth.

CMS has unveiled the Advancing Chronic Care with Effective, Scalable Solutions (ACCESS) Model, a voluntary 10-year national test of a new payment approach aimed at expanding access to technology-supported care to treat chronic conditions. The model replaces traditional service-based reimbursement with a value-based care model.

Seven recommendations for improving rural primary care were published in a report by the Primary Care Collaborative and the Robert Graham Center. These recommendations center on increasing federal support of Rural Health Clinics (RHCs) and Federally Qualified Health Clinics (FQHCs).

Federal auditors were able to obtain subsidized Affordable Care Act coverage for almost two dozen fictitious individuals by using invented identities and Social Security numbers, the Government Accountability Office (GAO) reported. The audit showed that four fake applicants received coverage worth about $2,300 per month, and 18 of 20 additional test applications were approved for advance premium tax credits exceeding $10,000 per month. GAO

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said the vulnerabilities it first identified in 2015 persist in the systems used to verify ACA eligibility, with approvals occurring both through HealthCare.gov and through an insurance broker.

The Department of Health and Human Services (HHS) repealed parts of the nursing home staffing rule that had been finalized during the Biden Administration. HHS argued that the rule was too burdensome for nursing home facilities to adhere to and that this Rule would result in nursing homes being forced to close their doors.

CMS issued initial guidance outlining how states can implement new Medicaid work requirements for the expansion population beginning January 1, 2027. The guidance identifies groups that will be fully exempt, including former foster youth, pregnant individuals, certain Native populations, caregivers, people with specific medical needs, inmates, and those enrolled in TANF, SNAP, or qualifying treatment programs. Some beneficiaries may receive temporary exemptions, and states may grant additional short-term hardship exemptions tied to medical needs, local economic conditions, or disaster declarations.

CMS Administrator Oz sent a letter to all 50 Governors asking them to join a new effort aimed at identifying providers and suppliers who commit Medicare fraud or state tax fraud.

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