



Capitol Insights Newsletter

January 30, 2026

Author(s): Matt Reiter and Luke Schwartz

What Happened in Congress This Week?

The House Energy and Commerce Committee announced a hearing on [Medicare and Medicaid fraud schemes](#) that will be held next Tuesday February 3rd.

“Minibus” and Medicare Extenders Set to Expire, but For How Long?

Congress is still determining a path forward on a legislative package that will fund most of the government, extend expiring Medicare coverage policies, and make sweeping reforms to pharmacy benefit managers (PBMs). Though progress is being made, it is clear that Congress cannot avoid a lapse in federal funding and an expiration of temporary Medicare coverage policies before the January 31st deadline.

Healthcare providers should therefore continue preparing for an expiration of the same policies impacted during the October - November shutdown. These include, but are not limited to, the 1.0 work GPCI floor, the ground ambulance "super rural" bonus, and the COVID-era telehealth coverage flexibilities on January 31st.

An extension of these “Medicare extenders” policies was included in the appropriations “minibus” that the House passed last week. One of the six appropriations bills in the minibus is the Department of Homeland Security (DHS) bill that funds Immigration and Customs Enforcement (ICE). Senate Democrats have since announced they will not vote for the minibus if it includes the DHS funding bill in response to the recent fatal shooting of protestors by federal Border Patrol agents in Minneapolis, Minnesota.

Funding for the agencies funded by this minibus (including HHS and its sub-agencies like CMS) and the Medicare extenders policies all expire on January 31st unless Congress can pass legislation that is signed into law by the President before then.

On Thursday evening, President Trump and the Senate agreed on a plan to separate the DHS funding bill from the rest of the minibus. The DHS bill would have its funding extended at current levels for two weeks to allow more time for negotiations.

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As of this morning, the Senate still has not passed this bill due to other policy disagreements. Generally speaking, bills move very slowly through the Senate unless there is unanimous consent to expedite the process. This gives individual Senators significant leverage to disrupt the process.

Any changes the Senate makes to the minibus will need to be re-passed by the House. This presents a timing issue because the House is not in session this week. It's still not clear if the House can pass the new bill.

Even if the House is fully on board, it will not be able to pass the bill before the January 31st deadline. This means funding will lapse for these agencies, and the Medicare extenders and telehealth policies will expire.

A brief lapse in funding likely will not trigger a full government shutdown if there is optimism that Congress can quickly pass funding legislation. If this process drags out through next week, we could see the government initiate a shutdown.

If these Medicare coverage policies lapse, we expect CMS will handle impacted claims the same way it did in October. This would likely include a 14-day hold on paying impacted claims in hopes that Congress can quickly address the issue. Look for official announcements from CMS and Medicare Administrative Contractors (MACs) for more information about how this situation will impact Medicare claims.

Top Stories in Healthcare Policy

CMS has proposed excluding chart reviews from Medicare Advantage risk scoring in 2027 to curb overpayments. This would eliminate the financial incentives for insurers to add additional diagnoses to members' charts and inflate risk scores.

Senate HELP committee Republicans are forming a task force to address the growing concern about Medicaid fraud. They are launching a portal to report federal funding fraud and are targeting their efforts at democrat-led states.

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CMS released a list of 15 high-cost medications they are targeting in 2028 for Medicare part B and D price negotiations.

ACA enrollments declined by 5% to 23 million compared to 2025.

The American Psychiatric Association filed a class action lawsuit against EmblemHealth alleging the use of “ghost networks.” The lawsuit suggests that EmblemHealth’s ghost network harmed the reputation of psychiatrists wrongly listed as in-network and hindered the ability for patients to access mental health care. EmblemHealth’s directory errors inflated their provider networks, which has been called “deceptive” and “misleading.”

Hospital-owned Medicare Advantage plan enrollment continues to grow, and hospitals continue to expand their service areas and plan offerings.

In California, Emergency Department outpatient visits are increasing while admissions are decreasing, especially for uninsured patients. Medicare beneficiaries and the privately insured experiences the largest increase in visit rates between 2008 and 2023.

Value-based payment has been adopted by roughly half of traditional Medicare and is a defining feature of Medicare Advantage. However, some argue that it has failed to meaningfully reduce costs. Core drivers of health care spending -- such as high prices, rapid technology diffusion, and administrative overhead -- remain largely unaddressed by existing cost-containment strategies.

The post-pandemic hiring surge is stalling with 34,000 new jobs per month this year, compared to 56,000 per month last year. To replace burned out works, hospitals have been replacing staff at a high rate, but financial pressures, federal caps on student loans, and cuts in administration staff have slowed down this trend.

Roughly 1.2 million independent dispute cases were filed in the first half of 2025 over surprise medical bills, mostly by private equity-backed providers.

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