Capitol Insights Newsletter
July 25, 2025

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What Happened in Congress This Week?

The House has adjourned for the August recess and will return to D.C. in early September. The Senate is racing to make progress on nominations as well as appropriations bills ahead of its own recess. While the Senate has floated the idea of staying in session for a week during August, it's unclear whether that will happen. When both chambers return, their biggest priority will be funding the government before the current Continuing Resolution (CR) expires on September 30th. If the chambers are not able to agree on Appropriations bills or another CR by the end of September, the government will shut down on October 1st. This dilemma will certainly be a major focus of this newsletter after Labor Day.

House Ways & Means Hearing Signals Scrutiny Ahead for Medicare Advantage

On July 22, 2025, the House Ways & Means Health and Oversight Subcommittees held a joint hearing titled "Medicare Advantage: Past Lessons, Present Insights, Future Opportunities." Lawmakers on both sides of the aisle expressed frustration with the current state of the Medicare Advantage (MA) program. While acknowledging its popularity among seniors, members from both parties pointed to deep concerns about delays in care due to prior authorization, inflated risk coding, and a lack of effective oversight. The hearing made clear that significant reforms are under consideration, though no consensus has yet emerged.

Prior Authorization

A central focus of the hearing was the impact of prior authorization requirements in MA plans. Witnesses and lawmakers described the system as slow, unpredictable, and overly complex. Delays in approvals are leading to postponed or denied care, particularly harming patients with time-sensitive needs. Proposals to automate the process using artificial intelligence were met with caution, as critics warned that technology could worsen denial rates if not carefully regulated. While some MA plans have voluntarily pledged to reduce prior authorizations, those efforts are not yet translating into meaningful change on the ground.

Risk Coding and Overspending

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Concerns over upcoding, where MA plans assign patients higher risk scores than appropriate, were repeatedly raised. These inflated scores lead to higher federal payments, costing the Medicare program billions in unnecessary spending. The Medicare Payment Advisory Commission (MedPAC) estimates MA plans will be paid 20% more per enrollee in 2025 than if those same individuals were in traditional Medicare. Reform advocates argued that reducing overpayments could help fund improvements in other areas of the healthcare system, including payments to physicians.

Rural Impact and Provider Participation

The hearing also examined how MA affects rural providers and patients. Although enrollment in MA is growing in rural areas, many providers in these regions are opting out of participation due to low reimbursement rates, administrative burdens, and staffing challenges. Smaller hospitals and practices often lack the personnel needed to navigate complex prior authorization processes. Some rural patients face fewer plan choices and longer wait times for care. Telehealth and transportation benefits were cited as potentially helpful features, but these offerings are not yet widespread or consistent across plans.

Legislation and Potential Reform

Several legislative proposals are under consideration to address the problems raised in the hearing.

The Prompt and Fair Pay Act, introduced by Rep. Lloyd Doggett (D-TX-37) and co-sponsored by Rep. Greg Murphy (R-NC-3), would require MA plans to reimburse providers at least at traditional Medicare rates and enforce prompt payment standards for clean in-network claims.

The Improving Seniors' Timely Access to Care Act (H.R. 3514) would streamline the prior authorization process across MA plans and could become part of a larger bipartisan package later this year.

Additionally, Rep. Judy Chu (D-CA-28) is preparing legislation that would increase transparency around the use of artificial intelligence in prior authorization decisions. The bill is expected to require disclosure of how AI tools are used to approve or deny care and place guardrails to prevent automated systems from driving denials without human oversight.

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These measures reflect a growing concern that AI, if left unchecked, could worsen access issues rather than improve them.

What this Means for the Clinicians

Clinicians should anticipate continued administrative complexity when dealing with MA plans, particularly concerning prior authorization. Delays in care are likely to persist unless future legislation enforces standardization or stronger oversight. Reimbursement structures could shift, especially if bills linking MA payments to traditional Medicare gain traction. Additionally, increased scrutiny of coding practices may lead to more frequent audits or documentation requirements. Practices in rural areas may continue to face added strain due to limited staffing and a lack of negotiating power.

Conclusion

This hearing potentially marks a turning point in congressional oversight of Medicare Advantage. While there is no immediate path forward, the bipartisan tone and range of concerns raised suggest that reforms are gaining traction. The GR Committee should continue to stay aware of policy developments that may affect reimbursement, prior authorization, and participation in MA plans.

Top Stories in Healthcare Policy

Capitol Associates Director, Sarah Hohman, MPH, was recently quoted in an article discussing the Rural Health Transformation Program, a provision of the One Big Beautiful Bill Act.

According to a recent report from the Congressional Budget Office, the Trump administration's proposed funding changes to the National Institutes of Health (NIH) and changes to review times for the Food and Drug Administration (FDA) could result in lower numbers of new drugs coming to market in the next few decades.

Prescription drug claim denials from private insurers have increased by 25% from 2016 to 2023, according to a report by Komodo Health. This analysis examined more than 4 billion claims across multiple private health insurance companies, highlighting a growing trend of insurance denials in the U.S.

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Obamacare insurance plans are expected to see an average 75% increase in monthly premium prices next year if Congress does not extend federal subsidies for purchasing Affordable Care Act marketplace plans, according to a KFF analysis.

A new study from JAMA Network Open finds that smartphone sensors can capture behavioral markers for various psychopathologies that might help identify worsening mental health symptoms. This data indicates that smartphones could potentially be a tool for symptom monitoring for psychiatric problems in the future.

According to the Journal of Human Development and Capabilities, receiving a smartphone before age 13 is associated with worse mental health outcomes in young adulthood, with overall mental health and wellbeing progressively lower with each younger age of first smartphone ownership. This data from the Global Mind Project is based on a study of 100,000 people aged 18-24.

Humana announced efforts this week to accelerate the prior authorization process and scale back the number of services subject to pre-approval, aiming to eliminate a third of prior authorizations required for outpatient services by January 1, 2026.

Sarah Hohman, MPH, Director at Capitol Associates Inc. and Director of Government Affairs for the National Association of Rural Health Clinics (NARHC), was recently quoted in an article discussing the Rural Health Transformation Program, a provision of the One Big Beautiful Bill Act.

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