# Capitol Insights Newsletter
## November 21, 2025

Author(s): Matt Reiter and Luke Schwartz

*Publication Note: Capitol Insights will not be published next week.*
*We wish everyone a happy Thanksgiving!*

## What Happened in Congress This Week?

The Senate Finance Committee's hearing titled "The Rising Cost of Health Care: Considering Meaningful Solutions for All Americans" held on Wednesday focused on the nearing expiration of **Affordable Care Act (ACA)** premium subsidies and highlighted partisan differences over how to respond. Republicans criticized the ACA while promoting a health savings account (HSA)-based alternative (discussed more below in this week's featured topic), while Democrats emphasized the urgency of extending ACA tax credits, warning that creating a new program is unrealistic before the subsidies expire. Senators from both parties additionally discussed structural issues such as insurer profits, PBM practices, and health system consolidation as causes of rising healthcare costs.

Later that day, the House Ways and Means Subcommittee on Health held a hearing on modernizing care coordination to prevent and treat chronic disease, with discussion centered on the benefits of coordinated, team-based care, aligned incentives, and better access to virtual and community services. Witnesses highlighted that effective coordination can expand preventive screening and increase visit frequency, and Members examined the role of value-based care systems and accountable care organizations (ACOs). The conversation focused on conditions like hypertension, obesity, chronic kidney disease, and diabetes. Although the hearing aimed to address chronic disease, it also featured partisan debate about the expiration of ACA subsidies and their potential impact on health outcomes.

## Shifting from ACA Subsidies to HSAs: Unpacking the Policy Framework

Congress finally passed a short-term funding bill that ended the government shutdown. However, in passing that bill, Congress did not address the underlying policy issue that was central to the shutdown: expiring enhanced eligibility for Affordable Care Act (ACA) premium tax credits.

---



1009 Duke St. Alexandria, VA 22314
(202) 544-1880 | Fax: (202) 543-5913
administrator@capitolassociates.com

Author(s): Matt Reiter and Luke Schwartz

*Publication Note: Capitol Insights will not be published next week.*
*We wish everyone a happy Thanksgiving!*

Congress is now discussing various policy options for extending this eligibility and perhaps reforming the ACA premium tax credits structure as a whole.

Since the COVID-19 pandemic, Congress has removed the 400% of the federal poverty level (FPL) income cap for determining eligibility for the ACA premium assistance subsidies. Since Congress has not extended the ACA subsidies, ACA monthly premiums will more than double to start 2026, and millions of people will lose access to the ACA premium assistance subsidies.

Congress did not address the expiring enhanced subsidy eligibility in the continuing resolution (CR) that ended the government shutdown. However, Congress is still considering various policy options to extend – and possibly drastically reform – ACA premium assistance subsidies.

There is growing consensus on Capitol Hill that something needs to be done to extend the enhanced eligibility. Many policy options are being explored ranging from a clean extension to major reforms. The lack of consensus combined with the fast-approaching start of the new plan year means any effort to address the expiring enhanced eligibility faces an uphill battle to becoming a reality.

As negotiations start to ramp up on finding a solution, it is becoming less likely that the subsidies are extended in their current form (if at all). For instance, many have insisted on a gradual winding down of the enhanced eligibility by decreasing income threshold that determines both eligibility and subsidy amount over the coming years.

Republicans control Congress and the White House and, therefore, have begun taking the lead on ACA reforms as a condition of extending the subsidies.

Republicans are now discussing that, rather than an extension of the subsidies as currently in effect or a “wind down” of the subsidy program over time, Congress should completely change the way the government subsidizes ACA coverage. Instead of subsidizing premiums, Republicans are discussing a plan to facilitate direct payments to Health Savings Accounts



1009 Duke St. Alexandria, VA 22314
(202) 544-1880 | Fax: (202) 543-5913
administrator@capitolassociates.com

Author(s): Matt Reiter and Luke Schwartz

*Publication Note: Capitol Insights will not be published next week.*
*We wish everyone a happy Thanksgiving!*

(HSAs) of Americans on ACA plans. One such plan has been proposed by Senator Bill Cassidy, M.D. (R-LA).

Under the Cassidy framework, instead of renewing the enhanced premium tax credits that help lower and middle-income enrollees afford monthly premiums for marketplace plans, the federal dollars would be redirected into individuals' HSAs. Enrollees would shift to lower premium "bronze" level plans (those with higher deductibles but lower monthly premiums) and use the HSA contributions to cover out-of-pocket expenses such as deductibles, co-payments, and coinsurance. Sen. Cassidy has also argued that his plan aligns with President Trump's vision for the ACA.

Importantly, it is still unclear if Senator Cassidy's plan will apply to those above 400% of FPL. While reforming the federal subsidy scheme is definitely important, if the plan does not extend the subsidies to those earning above 400% FPL, it will fail to address the underlying issue behind this ACA fight.

This concept of emphasizing HSAs is not new in conservative health policy circles. Think tanks such Paragon Health Institute, American Enterprise Institute, Cato Institute, and America First Policy Institute have long promoted HSAs linked to high-deductible health plans, as well as other alternatives such as association health plans and short-term limited-duration plans.

These ideas have reemerged as Republicans consider their policy options. Rep. Marjorie Taylor Greene (R-GA) made some waves when she criticized Congressional Republican leadership for lacking an alternative to Democrats' clean extension proposal. Though HSA-based concepts have circulated since the ACA was enacted in 2010, she was frustrated that Congressional Republicans were not promoting their own alternative because they were insisting that Democrats agree to reopen the government before negotiating over the ACA.

HSA supporters believe this approach lowers premiums by encouraging people to choose lower-cost plans. Also, with plans that emphasize lower premiums but higher deductibles, individual spending would more closely align with the healthcare they actually consume, as opposed to



1009 Duke St. Alexandria, VA 22314
(202) 544-1880 | Fax: (202) 543-5913
administrator@capitolassociates.com

Author(s): Matt Reiter and Luke Schwartz

*Publication Note: Capitol Insights will not be published next week.*
*We wish everyone a happy Thanksgiving!*

paying high monthly premiums regardless of how much healthcare they utilize. Portability of HSAs is another oft-cited advantage, since the funds follow the individual and can be used for a wide range of medical expenses.

They also argue that when people use their own HSA dollars, they spend more deliberately and look for better value, which can increase competition and lower prices. This idea is often tied to other long-standing Republican health policy priorities, such as greater price transparency in health care. More price transparency is essential to empowering consumerism in healthcare.

Critics of HSAs argue that high out-of-pocket costs can sometimes go too far and actually dissuade people from seeking needed medical care. In one notable example from 2017, Ashish Jha, MD -- a prominent academician, public health advocate, and former Biden Administration official -- described enrolling in an HSA and subsequently avoiding an emergency department (ED) visit for symptoms he was experiencing. He noted that had a patient described the same symptoms to him in the exam room, he would have advised them to go to the ED.

In conclusion, the debate over how to handle the expiring ACA premium subsidies has thrust this policy concept back into the spotlight. It remains to be seen how Congress will decide to resolve this issue that carries major implications for how Americans access and pay for healthcare. Passing these ACA reforms would likely require support from Democrats in the Senate to pass. It is unlikely that Democrats will easily agree to radically change their signature health reform law.

Even though Republicans are presenting robust alternatives to the ACA, passing major reforms will be difficult and are not certain to happen. If Congress fails to act over the coming weeks, Congress could be motivated to make a renewed attempt later in 2026 as ACA consumers feel the impact of higher health insurance premiums. 2026 happens to be an election year, and both parties are therefore incentivized to pass policies that lower healthcare costs for individuals.

## Top Stories in Healthcare Policy



1009 Duke St. Alexandria, VA 22314
(202) 544-1880 | Fax: (202) 543-5913
administrator@capitolassociates.com

# Capitol Insights Newsletter
## November 21, 2025

Author(s): Matt Reiter and Luke Schwartz

*Publication Note: Capitol Insights will not be published next week.*
*We wish everyone a happy Thanksgiving!*

**CMS issued new guidance today on how it is going to handle claims impacted during the government shutdown, including that "CMS has instructed the MACs to perform mass adjustments to any paid claims that are inconsistent with the most recent Congressional action."** More information can be found here.

**47% of U.S. adults are worried they will not be able to afford health care next year.** This is the highest year since it started being recorded in 2021.

**74,000, or 1 in 30, clinical trials funded by NIH were interrupted by the Trump administration's termination of grants.**

**U.S. primary care physicians experience some of the highest levels of burnout in comparison to other high-income countries, a new study finds**. More than 2 in 5 U.S. primary care doctors report feeling burnout, the highest share among the 10 countries studied. This matters because burnout-related turnover costs the U.S. upwards of $260 million a year



1009 Duke St. Alexandria, VA 22314
(202) 544-1880 | Fax: (202) 543-5913
administrator@capitolassociates.com