

# CAPITOL STREET

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December 7, 2025

## Health Policy Peek: Dec 8-12

**NEW: MA 2027 Rate Notice Lands @ OMB, Obamacare Subsidy Vote Up This Month, CMS New Tech Town Hall**

### WEEK AHEAD

**NEW: MA 2027 Advanced Notice Lands at OMB ([here](#)).** No, it's not early. We expect release in late Jan / early Feb. 2026.

**OUR TAKE: (1) Growth Rate:** CMS projects a FFS growth rate of ~6% from 2026 to 2027. Recent spending estimates provided to ACO participants suggest that CMS may be under-projecting spending for 2025, and that costs from 2024 to 2025 may have increased by 9%, as compared to 5% (what CMS estimated in the 2026 final rate announcement), though CMS's ACO trend correlation can't always be trusted because the office of the actuary can make many tweaks to the MA benchmarks and is often a black box. CMS may revise their estimate upward for 2027, because they would be starting from a higher base amount for 2025. This increase could be as much as 9%, but the size of this increase depends on whether or not CMS assumes *higher* spending continues into 2027. **(2) Risk Adjustment Model:** We believe it is unlikely that CMS will implement a new encounter data model for 2027 given that the fully phased-in three-year V28 model ends next year (2026). Also (our take [here](#)) the RFI from CMS in the 2027 Proposed Rule (before Thanksgiving) asked a number of questions about the future of risk adjustment, and CMS may want to wait for the responses to the RFI before determining any model changes. Recall- CMS had previously indicated in the 2026 advance notice they could have a model that is estimated on MA claims, or encounter data, as soon as 2027. **(3) Health Risk Assessments/Chart Reviews:** MA plans have been scrutinized for upcoding relative to FFS Medicare, and HRAs and unlinked chart reviews are mechanisms by which plans increase their risk scores. **SCENARIOS:** (a) CMS may seek to either require HRAs to have a follow-up visit to count for risk adjustment, or could (b) decide to no longer allow diagnoses from HRAs to count for risk adjustment purposes (we think (b) is less likely, and *No Upcodes* ([here](#)) is not ready for prime time). A high fee-for-service growth rate for 2027 could give CMS cover to impose new restrictions on the use of HRAs while still stating that the bottom line for plans would be 5%, similar to the bottom line for 2026.

**EPTC Votes Expected ASAP:** Competing proposals on the ACA's enhanced premium tax subsidies (EPTCs) from Democrats (clean 3-year extension) and Republicans (diverting funds to HSAs) are expected to be voted on in the Senate. House Republicans are also eyeing the release of a healthcare proposal, although the details remain uncertain. There are now ~ 6 sets of proposals being developed, indicating the importance of the issue given Dec 31 deadline.

**OUR TAKE:** While competing Senate proposals are unlikely to garner a filibuster-proof majority (60 votes), we still anticipate a late December/January bill with a one- or two-year EPTC extension. A compromise proposal will likely include income caps and a transition to an HSA-type platform (2027 at the soonest) (our take [here](#)). We'll also be on the lookout for PBM reform, drug pricing measures, and potential pay-fors (MA, site-neutral) on what appears to be a pricey package (our take [here](#)).

**BIOSECURE On Deck - NDAA Negotiations Underway:** According to *Politico* ([here](#)), lawmakers aim to release a merged NDAA bill by this weekend, though that could slip.

**OUR TAKE:** Recall, the Senate version of the bill includes a watered-down version of the *BIOSECURE Act*, which we have said has a 70%+ chance of passage by year end (our take [here](#)).

## WED, DEC 10

**CMS New Technology Town Hall ([here](#)):** CMS hosts its annual town hall to discuss New Technology Add-on Payment (NTAP) applications for new medical services and technologies used in the inpatient setting. This designation provides hospitals with extra payments for using the product for the two-to-three-year period after market entry. Most NTAP decisions aren't made until the final Inpatient Hospital rule in August of the following year. FY2027 NTAP applications include BMJ, EW, JNJ, MDT and OMER (full list [here](#)).

**House Hearing on Health Technology ([here](#)):** Two Subcommittees of the House Oversight Committee (Chair Comer, R-KY) will hold a joint 10 a.m. hearing on "Lowering the Cost of Healthcare: Technology's Role in Driving Affordability." No witnesses have been announced.

**Senate Hearing on EPTCs ([here](#)):** The Senate Homeland Security Investigations Subcommittee (Chair Johnson, R-WI) will hold a 10 a.m. hearing on "Defining Our Healthcare Problem, and Principles We Should Follow to Solve it." No witnesses have been announced.

**House Hearing on EPTCs ([here](#)):** The House Judiciary Oversight Subcommittee (Chair Van Drew, R-NJ) is tentatively scheduled to hold a 2 p.m. hearing on "Fighting Obamacare Subsidy Fraud: Is the Administrative Procedure Act Working as Intended?" No witnesses have been announced.

## THURS, DEC 11

**Senate Hearing on Organ Procurement and Transplantation ([here](#)):** The Senate HELP Committee (Chair Bill Cassidy, R-LA) will hold a 10 a.m. hearing on "Examining the Future of the U.S. Organ Procurement and Transplantation Network." No witnesses have been announced.

## LATE-DECEMBER

**CY 2026 Clinical Lab Fee Schedule (CLFS):** CMS will issue the CLFS for CY 2026 later this month, which should factor in the postponement of cuts to clinical labs (*PAMA*) through Jan. 30, 2026 from the recent stopgap spending bill (our take [here](#)).

**OUR TAKE:** *PAMA* cuts of up to 15% have been postponed five times since 2021 and the Continuing Resolution likely sets a template for further delays into 2026. Meanwhile, stakeholders are lobbying for passage of the *RESULTS Act*, which would provide a more favorable data reporting and rate-setting methodology and would institute new limits for rate increases and decreases in future years (our take [here](#)).

## ON THE HORIZON

- Oral Arguments in *American Academy of Pediatrics v. Kennedy* on vaccines (Dec. 17, 2025)

- CMS Healthcare Common Procedure Coding System (HCPCS) meeting (Dec. 17-18, 2025)
- Expiration of APTCs and CLFS pay cut moratorium (PAMA) (Dec. 31, 2025)
- Deadline to pass the National Defense Authorization Act (Dec. 31, 2025)
- CMS CY2026 Clinical Lab Fee Schedule (Late-December 2025)
- SCOTUS Decision on IEEPA Tariffs (4Q25)
- FTC PBM 6B study final report (TBD)
- CMS proposed rule on “Medicaid Managed Care-State Directed Payments” (TBD)
- CMS proposed rule on “Guarding U.S. Medicare Against Rising Drug Costs (GUARD) Model” (TBD)
- CMS proposed rule on “Global Benchmark for Efficient Drug Pricing (GLOBE) Model” (TBD)
- IRA MFPs effective for selected drugs (Jan. 1, 2026)
- Initial date for Arkansas law banning PBM-owned pharmacies - delayed indefinitely due to injunction (Jan. 1, 2026)
- CMS Medicare Advantage (MA) Rate Notice ‘27 (January 2026)
- MedPAC meeting (Jan. 15-16, 2026)
- CDC ACIP meeting (Feb. 25-26, 2026)
- CMS proposed rule on a voluntary pilot on GLP-1s (BALANCE) (Spring 2026)
- CMS pricing justification for 2027 negotiated drug list (15 Part D drugs) (March 1, 2026)
- MedPAC meeting (March 2-3, 2026)
- CMS MA Final Rate Notice ‘27 (Early April 2026)
- MedPAC meeting (April 9-10, 2026)
- FDA PDUFA and MDUFA reauthorization deadline (Oct. 1, 2027)

## CMS Coverage Decisions

- CMS Draft NCD on Biomarker Tests for Colorectal Cancer Screening (March 10, 2026)
- CMS Final NCD on Biomarker Tests for Colorectal Cancer Screening (June 8, 2026)

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