

# CAPITOL STREET

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January 24, 2026

## Health Policy Peek: Week of Jan 26-30

**ACA 'Hail Mary' Tax Credits as UNH Announces Rebate Return, MA Advance Notice by Feb 4, '28 Drug Negotiation List ASAP**

### WEEK AHEAD

**Shutdown deadline of Jan 30: Healthcare Extenders Likely to Make it (Clinical Labs, PRV, Telehealth, PBM)** The Senate will put the final touches on a House-passed minibuss of five FY26 spending bills – State-Foreign Operations, Financial Services & General Government, Defense, Labor-HHS-Education, Transportation-HUD (341 to 88), and another House-passed FY26 spending bill for Homeland Security (220 to 207).

**OUR TAKE:** The legislation includes a two-year extension of pandemic-era telehealth flexibilities in Medicare, a one-year delay of clinical lab cuts, a one-year extension of funding for Community Health Centers, a two-year delay of DSH cuts, and a five-year extension of the “hospital at home” program. Details on other health policies (PBM reform, MCED coverage, and possibly PRV extension) can be found [here](#).

**Obamacare (EPTC/HSA) Negotiations Continue for Hail Mary by Jan 30:** A small, bipartisan group continues to work on a Senate deal to extend COVID-era Affordable Care Act (ACA) tax credits this week. The prevailing wisdom is that an agreement will be almost impossible after the end of January, so time is of the essence. There is still an open question as to whether Republicans in leadership and the White House ultimately *want* a deal to extend the subsidies. With a narrowing window quickly approaching (open enrollment ended Jan. 15), an end of month deal is the best bet (our take [here](#)). A three-year extension costs [\\$81 B/10](#). In an E&C hearing with top insurers this week, United pledged to voluntarily rebate their profits this year for Obamacare plan members in 2026 (our take [here](#)).

**OUR TAKE:** We still believe the most realistic path forward is a two-year EPTC extension paired with CSRs & GOP guardrails (incl. Hyde) to secure Senate votes, potentially moving alongside the budget/Extender package likely to pass this upcoming week. These likely include an income cap on or below 700% FPL, elimination of \$0 premium plans (could see a \$1 premium), enhanced anti-fraud provisions, and potential HSA flexibility, broadly consistent with Senate Majority Leader John Thune’s (R-SD) stated requirements.

**ICYMI:** This week United Healthcare tried to curry President Trump’s support for an extension by declaring that it would [rebate any profits](#) from its ACA business directly back to consumers (our take [here](#)). While the Speaker and even the President expressed opposition to the extension of the COVID-era subsidies, there is still majority support in each chamber for the policy. How to get Republicans to hold another round of votes on a viable deal is the question.

Staff have suggested that Senators could withhold their votes for the minibuss appropriations package unless there is a vote on an ACA tax credit deal. The most Senators could secure at this time is an assurance from

Leader Thune to put this deal on the floor at a later date (previously, Thune had promised a vote on the extension of ACA credits). Combined with the House utilizing the procedural vehicle of a discharge petition, there is still a path to Congressional approval.

## ANY DAY NOW

**2028 Negotiated Drug List (15 Part B & D drugs):** CMS is set to release the fifteen (15) 2028 selected negotiation drugs (in Part B & D) by Feb 1. As a reminder, CMS maintained the fixed combination drug policy so sub-cutaneous products will be treated separately from their IV formulations. We will also see the list of 2026 and 2027 drugs that will be renegotiated at the same time as 2028 drugs. The orphan fix excludes major products like Keytruda (MRK), Opdivo (BMY), and Yervoy (BMY) from negotiations. See our analysis of the 2028 guidance [here](#).

**OUR TAKE:** Rheumatology, ophthalmology, and oncology drive Part B spend and are likely to be selected as Part B negotiation drugs. CMS will select 2028 products using spending data from November 1, 2024 and October 31, 2025. We project negotiation-eligible products (based on 2023 spending data) include Orencia (BMY), Entyvio (Takeda), Cimzia (UCB), and Ocrevus (RHHBY) in Part B. Negotiation-eligible products (based on 2023 spending data) for Part D include Trulicity (LLY), Biktarvy (GILD), and Erleada (JNJ).

**SCOTUS Decision on IEEPA Tariffs:** We believe the Supreme Court (SCOTUS) may limit the use of IEEPA tariffs, with a decision possible at any time ([here](#)). On the other hand, the court has not announced its next opinion day and it may not be until Friday, Feb. 20 based on its usual schedule ([here](#)).

**OUR TAKE:** The range of decisions span a clean decision that invalidates all tariffs under IEEPA, to a narrow one that would strike specific categories e.g., fentanyl tariffs on China, Canada & Mexico, allowing other IEEPA-based duties to survive. The Trump Administration could utilize other authorities to implement tariffs (our take [here](#)). For example, 232 investigations on Pharma and MedTech could serve as a hedge should IEEPA tariffs be struck down (our take [here](#)) and remain a powerful tool. We believe the White House would be ready to assert other tariff avenues within 24 hours of the decision. Should the tariffs fall, there is no certainty as to what happens to the \$133-150 B in tariff revenues collected (2025).

## LATE JANUARY-EARLY FEBRUARY

**Medicare Advantage 2027 Advanced Notice:** The regulation cleared OMB Friday ([here](#)) and will likely be out by Feb. 4. Early release is always possible.

**OUR TAKE:** We look to a +4-6% MA pay update for 2027, though this could be tempered by downward adjustments to address prior fraud in skin substitute spending. Based on Dr. Oz's comments at JPM26, the administration aims to restore trust through predictable policies and refined risk adjustment. The agency is altering Stars to prioritize clinical outcomes, though any overhaul to risk adjustment is unlikely for 2027, as CMS evaluates responses to the recent RFI. We could see "light-touch" reforms regarding HRAs, and a continued winding down of the Part D premium stabilization demonstration, combining program growth with strict oversight of coding practices and spending (our preview is [here](#)).

## ON THE HORIZON

- SCOTUS decision on IEEPA tariffs (**January-June 2026**)

- FTC PBM 6B study final report **(TBD)**
- Expiration of Continuing Resolution & Healthcare Extenders (CHCs, DSH, Telehealth, Labs) **(Jan. 30, 2026)**
- CMS unveils 2028 negotiated drug list (15 Part B & D drugs) **(by Feb. 1, 2026)**
- CMS Medicare Advantage (MA) rate notice '27 **(late January, due by Feb 4, 2026)**
- State of the Union **(Feb. 24, 2026)**
- CDC ACIP meeting **(Feb. 25-26, 2026)**
- President's Budget **(March 2026)**
- CMS pricing justification for 2027 negotiated drug list (15 Part D drugs) **(March 1, 2026)**
- MedPAC meeting **(March 2-3, 2026)**
- CMS proposed FY27 Inpatient Hospital/LTCH, Psych, IRF, SNF, & Hospice rules **(April 2026)**
- Final MA & Part D Rule (comments due Jan. 26) **(April 2026)**
- CMS MA Final Rates '27 **(April 7, 2026)**
- MedPAC meeting **(April 9-10, 2026)**
- CMS launch of BALANCE model in Medicaid **(May 2026)**
- Sec. 232 report on medical devices due to White House **(May 30, 2026)**
- Deadline for CMS to send an initial offer for 2028 selected drug **(June 1, 2026)**
- CMS proposed CY27 Outpatient Hospital/ASC, PFS, Home Health, & ESRD rules **(Early July 2026)**
- USMCA joint review **(July 1, 2026)**
- CMS final FY27 Inpatient Hospital/LTCH, Psych, IRF, SNF, & Hospice rules **(August 2026)**
- Start of FY 2027 **(Oct. 1, 2026)**
- CMS launch of GLOBE model in Medicare Part B **(Oct. 1, 2026)**
- CMS final CY27 Outpatient Hospital/ASC, PFS, Home Health, & ESRD rules **(Early-Nov, 2026)**
- Deadline for CMS to publish 2028 negotiated maximum fair prices **(November 30, 2026)**
- CMS CY2027 Clinical Lab Fee Schedule **(Late-December 2026)**
- CMS launch of BALANCE model in Medicare Part D **(January 2027)**
- CMS launch of GUARD model in Medicare Part D **(Jan. 1, 2027)**
- CMS MFP Effective for Selected Drugs **(Jan. 1, 2027)**
- 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)**
- CMS Draft NCD on TAVR for Asymptomatic Patients (EW) **(June 15, 2026)**
- CMS Final NCD on TAVR for Asymptomatic Patients (EW) **(Sept. 13, 2026)**

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