

# CAPITOL STREET

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March 13, 2026

## Health Policy Peek: Week of March 16-20

### Reconciliation 2.0 Brewing, House on Health Costs & Fraud, ACIP Meeting

#### ANY DAY NOW

**Reconciliation 2.0: We are flagging an under-the-radar legislative effort that may bear fruit, as the White House wages war on Iran.** Speaker Johnson (R-LA) & House GOP leaders plan to push a second reconciliation bill this year, which could be a potential pathway for funding the Department of Homeland Security (DHS) and a supplemental for the Iran conflict. House Budget Chair Jodey Arrington (R-TX) says he plans to mark up a budget resolution with reconciliation instructions in the next 30 days ([here](#)).

**OUR TAKE:** We are at slightly over 50/50 odds that Recon actually happens (summer), with the enormous risk to Biopharma being the codification of Most Favored Nation (our take [here](#)). Codification of MFN was the centerpiece of President Trump's "Great Healthcare Plan" released in January (our take [here](#)). We also look to Trump's 2027 budget request in the next few weeks for other potential items for reconciliation as well as the administration's priorities on tariffs, MAHA, and program integrity initiatives.

#### TUES, MARCH 17

**Senate Hearing on Intellectual Property ([here](#)):** The Senate Judiciary Committee (Chair Grassley, R-IA) will hold a 10:15 a.m. hearing on "Stealth Stealing: China's Ongoing Theft of U.S. Innovation."

**House Hearing on Fraud in Medicare & Medicaid likely featuring CMS's Kim Brandt ([here](#)):** The House Energy & Commerce Oversight and Investigations Subcommittee (Chair Joyce, R-PA) will hold a 2 p.m. hearing on "Protecting Patients and Safeguarding Taxpayer Dollars: The Role of CMS in Combating Medicare and Medicaid Fraud."

**OUR TAKE:** While CMS has made progress in fraud over the past year with hospice, home health, and DME, Kim Brandt, Deputy Administrator and COO, will discuss CMS's waste, fraud, and abuse 2.0 efforts. We expect discussion to include an agency CRUSH RFI (Feb 2026) which solicited input on fraud, waste and abuse vulnerabilities across provider sectors – with areas like MA, AI-driven billing and coding review, and laboratory/genetic testing reform explicitly flagged for enhanced oversight, as hospice, HH, and DME reforms are largely underway already.

**House Hearing on Budget Outlook ([here](#)):** The House Budget Committee (Chair Arrington, R-TX) will hold a 10:15 a.m. hearing on "The CBO's Budget & Economic Outlook." CBO Director Phillip Swagel will testify.

**OUR TAKE:** As the House embarks on Reconciliation, we are seeing multiple "Budget Outlook" hearings. Last week's Senate Budget Committee's fiscal outlook hearing and this hearing will highlight big ticket healthcare

savings for 2027+, as CBO has scored site-neutral payment policies, and MA /upcoding reforms, among other proposals.

**House Hearing on NIH Oversight ([here](#)):** The House Appropriations Labor-HHS Subcommittee (Chair Aderholt, R-AL) will hold a 10:30 a.m. hearing on NIH Oversight. NIH Director Jay Bhattacharya will testify.

**OUR TAKE:** We expect the NIH leader to provide accomplishments over the last year as well as the vision for 2026+ as Jay Bhattacharya expands leadership into CDC ([here](#)). The discussion will likely include the administration's use of "forward funding" for research grants and across-the-board caps on indirect costs (our prior take [here](#) and [here](#)). The FY 2026 Labor-HHS spending bill limited the use of forward funding, but the administration still has authority to "front-load" grants during the first year of a multi-year grant (our take [here](#)). Meanwhile, the administration's 15% indirect cost cap is blocked by the courts as stakeholders (AAMC, FASEB, others) explore an alternative formula for Congress. Other potential topics for the hearing include AI, non-animal models, and other research priorities.

### **WED, MARCH 18**

**House Hearing on Chinese Biotech ([here](#)):** The House Select Committee on China (Chair Moolenaar, R-MI) will hold a 10 a.m. hearing on "From the Science Lab to the Medicine Cabinet: How China is Cornering the Market on Our Medicines." This follows a Senate Aging hearing on March 11 ([here](#)). Witnesses include representatives from USAntibiotic, 8VC, and the Brookings Institute.

**House Hearing on Health Costs ([here](#)):** The House Energy & Commerce Health Subcommittee (Chair Griffith, R-VA) will hold a 10:15 a.m. hearing on "Lowering Health Care Costs for All Americans: An Examination of the U.S. Provider Landscape."

**OUR TAKE:** Hospitals are concerned about site-neutral, seeing the policy as an inevitability in 2027+. As facilities become increasingly central to the debate over healthcare costs, we expect the hearing to focus on vertically aligned systems, site-neutral payments, 340B program oversight, graduate medical education (GME), charity care practices, and the use of AI in billing and utilization management (our take [here](#)).

**House Hearing on Kidney Care ([here](#)):** The House Ways & Means Health Subcommittee (Chair Buchanan, R-FL) will hold a 2 p.m. hearing on "Improving Kidney Health Through Better Prevention and Innovative Treatment."

### **MARCH 18-19**

**CDC ACIP Meeting ([here](#)):** The CDC's Advisory Committee on Immunization Practices (ACIP) meeting in February was postponed until March due to ongoing legal challenges ([here](#)). Agenda items include discussions on COVID-19 vaccine injuries and Long COVID, but advisers have apparently dropped their proposal to revisit the COVID-19 shot ([here](#)).

**OUR TAKE:** We wouldn't be surprised to see another postponement of this meeting. We have said there's been a noticeable shift in tone from the administration on vaccines ahead of the mid-term elections in November (our take [here](#)). There appears to be less focus on anti-vaccination efforts (more towards "medical freedom"), exemplified by leadership changes at HHS.

## BY MID-APRIL

**Medicare's Proposed 2027 Payment Rules (Hospital, Rehab, Hospice, SNF, Psych) & Final MA Rule:** The agency's final 2027 MA rule and proposed 2027 rules for Inpatient Hospitals/LTCH, Psych, IRF, SNF, & Hospice are expected by mid-April. All of the regulations are under review at the White House's Office of Management and Budget ([here](#)).

**OUR TAKE:** On MA, we could see growth rate improvement (~100-150 bps) in the final print to elevate the final update. Additionally, the chart review reform policy (linking to an actual provider encounter) likely survives for 2027, but could be phased-in. MA Stars policy, becoming more outcomes versus process oriented, will likely be finalized in a separate final 2027 MA & Part D technical rule (our take [here](#)). The agency has said they care about MA stability, but must tackle the challenging questions surrounding payment (our take [here](#)).

## ON THE HORIZON

- FTC PBM 6B study final report (**may not be released for some time due to pending FTC settlements with CVS & UNH**)
- CVS & UNH FTC Agreements/Settlements (**1H 2026**)
- President's Budget (**March 2026**)
- Final MA & Part D Rule (**March/April 2026**)
- CMS proposed FY27 Inpatient Hospital/LTCH, Psych, IRF, SNF, & Hospice rules (**April 2026**)
- CMS MA Final Rates '27 (**by April 6, 2026**)
- MedPAC meeting (**April 9-10, 2026**)
- CMS IRA drug negotiation (2028) town hall (**April 22-23, 2026**)
- CMS launch of BALANCE model in Medicaid (**May 2026**)
- ITC Hearing on Chinese state support and pricing practices in biotech (**May 27-28, 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**)
- CDC ACIP meeting (**June 24-26, 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**)
- CDC ACIP meeting (**Oct. 21-23, 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 (**Nov. 30, 2026**)
- Mid-term elections (**Nov. 3, 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 2027 Selected Drugs (**Jan. 1, 2027**)
- FDA PDUFA and MDUFA reauthorization deadline (**Oct. 1, 2027**)

## CMS Coverage Decisions

- 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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