

CAPITOL STREET

April 10, 2026

Health Policy Peek: Week of April 13-17

NIH Indirect Cost Cap Dropped, GLP-1 Demo April 20 Deadline, Hospital CEO Hearing (HCA, NY Presby, Common Spirit, ECU Health)

ICYMI

WH Drops NIH Indirect Cost Cap (15%): The Trump administration will not pursue a Supreme Court challenge to overturn a lower court's ruling that blocked its 15% cap on federal research overhead ([here](#)). As a reminder, in April 2025, a federal judge in Massachusetts [ruled](#) that the NIH violated several federal statutes and issued a permanent injunction, which was upheld by the First Circuit Court of Appeals. However, we still believe the indirect cost cap is ripe for reform, but that Congress will likely settle on a more reasonable number (see our analysis [here](#)).

Medicare Advantage Final Rates Improve (+2.48% in PY 2027): Rates will be +2.48% (vs. +0.09% proposed), a 239 bps improvement and welcome news for MA plans (our take [here](#)). The effective growth rate grew to 5.33% (vs 4.97% proposed), reflecting CMS's 12 months of utilization data. We said that the chart review policy (linking to an actual provider encounter) likely survives, and it did. Risk adjustment updates to the V28 model were pulled, keeping the 2024 CMS-HCC model unchanged. Notably, CMS did not respond to the comments received on its RFI (on risk adjustment and other topics), leaving little clarity on future directions; however, we expect CMS may revisit risk adjustment and other policy updates for CY 2028 rulemaking.

MA Part D Final Rule Leaves Future RA Policy Up In The Air: The MA and Part D rule ([here](#)) finalized most policies from the proposal, focusing on modernizing Stars to be outcomes- and access- based (our take [here](#)). Reforms to risk adjustment and C-SNP (chronic special needs plans) were punted to future rulemaking.

ANY DAY NOW

Medicare's Proposed FY27 Inpatient Hospital Rule. The agency's proposed FY27 rule for Inpatient Hospitals/LTCH is the final payment rule left to be released following the recent release of proposed rules for Psych, IRF, SNF, & Hospice (our take [here](#), [here](#), [here](#), and [here](#)).

OUR TAKE: We do not expect CMS to lower the boom on inpatient hospitals. Market basket and productivity measures are largely fixed. Certainly the agency can be creative, but we are not terribly worried. We do expect site-neutral in imaging/rad oncology to appear in the proposed hospital outpatient rule (HOPPS) as a pilot similar to outpatient drug administration, which is due on or around July 1, 2026.

CVS FTC Agreement/Settlement: A proposed [settlement](#) with CVS Caremark was reached in March, with formal details TBA imminently. The FTC final 6B report may be delayed to post CVS and UNH announcements, or Spring/Summer 2026.

OUR TAKE: We expect CVS and UNH settlements to mirror the CI agreement from [February](#), including transparency requirements, access to TrumpRx, focus on net pricing, and domestic onshoring of GPOs (for UNH), with compliance by Jan 1, 2028.

TUES, APRIL 14

House Hearing on Modernized Healthcare ([here](#)): The House Ways & Means Health Subcommittee (Chair Buchanan, R-FL) will hold a 9 a.m. field hearing in Bradenton, FL on “Modernized Healthcare in Practice: Empowering Americans to Live Healthier Lives.”

OUR TAKE: The hearing has a MAHA basis with a focus on how a modernized approach to healthcare can better prioritize wellness as part of chronic disease prevention and incentivize innovations.

WED, APRIL 15

House Hearing on Health Legislation ([here](#)): The House Energy & Commerce Health Subcommittee (Chair Griffith, R-VA) will hold a 10:15 a.m. hearing on “Healthier America: Legislative Proposals to Improve Public Health.”

OUR TAKE: The hearing will discuss 10 bipartisan healthcare proposals that would have a modest impact. Proposals are largely bipartisan and focus on reauthorizing key research and public health programs, including stem cell research and Alzheimer’s training programs. We expect the hearing to be short on substance and long on political messaging.

THURS, APRIL 16

Senate Hearing on Drug Pricing ([here](#)): The Senate HELP Committee (Chair Cassidy, R-LA) will hold a 10 a.m. hearing on “Making Medicines More Affordable: How Competition Can Lower Drug Prices.” Witnesses will include Brian Miller, an associate professor of medicine at Johns Hopkins and a visiting fellow at the Hoover Institution and Ryan Long, a senior research fellow at Paragon Health Institute.

OUR TAKE: Drug pricing reform continues to be a Congressional focus. Upcoming catalysts include (1) final rules for MFN models: GLOBE & GUARD, (2) additional voluntary MFN commitments from potentially midsized companies, (3) 232 pharma tariffs (with many exceptions) to go into effect in October 2026, see our analysis [here](#), (3) while the White House continues to push for codification of their MFN agreement terms. We have said that codifying MFN into law is unlikely in 2026. However, the idea is gaining bipartisan support, meaning MFN headwinds will extend into the next Congress and Administration (our take [here](#)).

House Hearing on FY27 HHS Budget with HHS Secretary Kennedy, Jr ([here](#)): The House Appropriations Labor-HHS Subcommittee (Chair Aderholt, R-AL) will hold a 2 p.m. hearing on the Trump Administration’s FY27 Budget Request for the Dept. of Health & Human Services (HHS). HHS Secretary RFK Jr. is expected to testify.

OUR TAKE: The President’s FY 2027 budget request released April 3 focuses on MA fraud and abuse (RADV), speeding first in human trials (FDA), as well as a more modest NIH cut (which is unlikely to happen). See our

analysis of the budget [here](#). While White House budgets are purely aspirational, they provide a glimpse into the administration's priorities.

MON, APRIL 20

BALANCE Model Part D Plan Participation Deadline ([here](#)): By April 20, Part D plans must tell CMS whether they will participate in the BALANCE model, which provides coverage for GLP-1s for weight loss starting Jan 2027. CMS will then notify plans of whether CMS will move forward with implementation by April 30. If health plans covering 80% of all Medicare beneficiaries don't opt in, the government won't move forward.

OUR TAKE: CMS has been pushing for GLP-1 coverage and is likely to move forward. See our BALANCE analysis [here](#). BALANCE offers GLP-1 products (regardless of indication) at a consistent, low price point and with a narrower risk corridor. This is a huge benefit to plans as GLP-1s, which are used for Medicare patients with type 2 diabetes and other conditions, are now a major source of spending. This could lower overall spend for these enrollees. However, plans will still have to incur the financial risk of the expanded coverage for obesity. This could offset savings in the short-term and result in potentially higher premiums. In addition, CMS proposed a BRIDGE model, starting this summer, to provide 6 months of incremental coverage before the 2027 plan year (our take [here](#)).

TUES, APRIL 28

House Hearing Featuring Hospital CEOs ([here](#)): The House Ways and Means Committee will hold a hearing on the role health systems play in rising healthcare costs.

OUR TAKE: Hospitals have increasingly come under scrutiny in the healthcare affordability debate (our take [here](#)). In January, the nation's largest insurers pointed to hospitals as a primary driver of high health costs (our take [here](#)). The upcoming hearing will likely focus on consolidation incentives and whether hospital mergers improve care or reduce costs. Site-neutral payment policy is moving along as CMS decided to pilot site-neutral for physician administered drugs in 2026 (our take [here](#)). We could also see site-neutral policy on the table in a 2027 payment rule. Invited CEOs represent **HCA, NY Presbyterian, CommonSpirit** and **ECU Health**, though the final witness list has not been confirmed.

ON THE HORIZON

- CMS IRA drug negotiation proposed rule for 2029 (**imminent**)
- 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**)
- CMS proposed FY27 Inpatient Hospital/LTCH (**April 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**)
- FDA hearing on Commissioner's National Priority Voucher (CNPV) Pilot Program (**June 12, 2026**)
- CDC ACIP meeting (**June 24-26, 2026**)
- CMS proposed CY27 Outpatient Hospital/ASC, PFS, Home Health, & ESRD rules (**Early July 2026**)

- CMS launch of Medicare GLP-1 Bridge in Medicare (**July 1, 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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