



Health Policy Briefing

January 26, 2026

Fiscal Year 2026 Appropriations Update

Congress has continued moving the appropriations process forward ahead of the January 30th deadline to avert a government shutdown, address health extenders, and fund federal agencies for fiscal year (FY) 2026. The following annual appropriations bills have been signed into law: Agriculture-Rural Development-Food and Drug Administration, Legislative Branch, Military Construction-Veterans Affairs, Commerce-Justice-Science, Energy and Water Development, and Interior-Environment. The House of Representatives has also passed a Financial Services and General Government/National Security-Department of State minibuss package; a Defense, [Labor-Health and Human Services \(L-HHS\)](#), Transportation-Housing and Urban Development minibuss package, and a separate Homeland Security funding bill (H.R. 7147).

The bipartisan ***Consolidated Appropriations Act, 2026*** (H.R. 7148) containing the L-HHS agreement and health extenders passed the House on Thursday in a 341-88 bipartisan vote. It contains nearly \$117 billion in discretionary funding for the U.S. Department of Health and Human Services (HHS), in line with FY 2025 funding levels and rejecting the deeper cuts to HHS proposed by the President's budget request. The National Institutes of Health (NIH) would receive \$48.7 billion, providing a modest increase. The report language contains new guardrails around the use of multi-year funding by NIH, and would prohibit altering "the manner in which negotiated indirect cost rates have been implemented and applied under NIH regulations."

The LHHS spending bill also includes provisions to reform the pharmacy benefit manager (PBM) industry, including new pricing and distribution disclosure requirements and provisions to delink PBMs' compensation from the cost of Medicare prescription drugs. The package also extends key health care programs, such as the Medicare dependent hospital program, Medicare telehealth flexibilities, the Acute Hospital Care at Home waiver, and virtual cardiopulmonary rehabilitation services.

The likelihood of a partial government shutdown increased over the weekend, with Senate Democrats

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vowing to oppose funding for the Department of Homeland Security (DHS) in the wake of the Immigration and Customs Enforcement (ICE) shooting in Minneapolis on Saturday. The chamber had been expected to take up a six-bill spending package (including both LHHS and DHS funding) in the coming days. Senate Majority Leader Chuck Schumer (D-N.Y.) has stated that Democrats will not help advance the package as long as it includes DHS funding. Democratic support will be required to clear the 60-vote procedural threshold. The situation is further complicated by the winter storm affecting much of the country, keeping the chamber out of session until at least Tuesday.

Labor-HHS-Education Bill Totals \$221 Billion in Discretionary Funds

| Agency/Account | Agreement | Vs. FY25 | Vs. Request |
|---|-----------------|----------------|-----------------|
| Health and Human Services Department | \$114.8B | -\$0.2B | +\$31.7B |
| Administration for Children and Families | 51.7 | - 0.2 | + 6.3 |
| National Institutes of Health | 47.1 | + 0.3 | + 18.2 |
| Centers for Disease Control and Prevention | 9.2 | - 0.0 | + 3.7 |
| Health Resources and Services Administration | 9.2 | + 0.9 | + 2.8 |
| Substance Abuse and Mental Health Services Administration | 7.4 | + 0.0 | + 1.7 |
| Education Department | 78.8 | + 0.1 | + 12.1 |
| Student Financial Assistance | 24.6 | 0.0 | + 1.9 |
| Education for the Disadvantaged | 19.1 | + 0.0 | + 0.7 |
| Special Education | 15.5 | + 0.0 | + 0.0 |
| Labor Department | 13.5 | + 0.1 | + 3.8 |
| Employment and Training Administration | 10.4 | + 0.1 | + 3.7 |
| Bureau of Labor Statistics | 0.7 | + 0.0 | + 0.6 |

Source: Joint explanatory statement on H.R. 7148, House Committee report on H.R. 5304

Note: FY25 figures are estimates. Department totals include other accounts not shown above. Subagency figures include some mandatory funds.

Bloomberg Government

New Congressional Report Alleges Violation of Antitrust Law by CVS Health

Republican leadership of the House Judiciary Committee has released an [interim staff report](#) detailing the results of an investigation that began in 2024 into the business operations of CVS Health. The report accuses the company of possible violations of antitrust law, alleging that CVS discouraged independent pharmacies from working with competitor companies. The committee details how CVS acted to stifle innovation and reduce competition from hub pharmacies. According to documents produced to the committee, CVS “developed plans to establish its own suite of digital pharmacy services and then, instead of competing with hubs on the merits of their services, prevented independent pharmacies from using pharmacy services from hubs.”

GOP Lawmakers to Investigate MN Medicaid Fraud

Republicans on the Energy and Commerce Committee have opened an investigation into recent findings of Medicaid fraud in the state of Minnesota. Reps. Brett Guthrie (R-Ky.), John Joyce, MD (R-Pa.), and Morgan Griffith (R-Va.) have sent a [letter](#) to Gov. Tim Walz requesting information related to the state’s efforts to combat Medicaid fraud. “The swath of criminal schemes coming to light in Minnesota include overbilling, false records, identity theft, and phantom claims in Medicaid social service and health programs for the elderly and disabled, people struggling with addiction, and homelessness,” the letter states. “To inform the committee’s oversight and potential legislative reforms, we are examining the extent of Medicaid fraud in Minnesota and actions the state has taken, and is taking, to strengthen program integrity.” House Oversight Committee Chairman James Comer (R-Ky.) also [announced](#) plans last week to expand his panel’s investigation into findings of fraud on Minnesota’s social services programs. He is requesting that the Temporary Commissioner of the Minnesota Department of Human Services appear for a transcribed interview before the end of the month.

Eleanor Holmes Norton Ends Reelection Campaign

D.C. Delegate Eleanor Holmes Norton (D), 88, will not seek reelection in November. Norton has served as the District of Columbia's nonvoting delegate in the House of Representatives for more than three decades. Her campaign filed a termination notice with the Federal Election Commission over the weekend. She currently sits on the House Committee on Oversight and Reform and the Transportation and Infrastructure Committee.

Upcoming Congressional Hearings and Markups

Senate Veterans' Affairs Committee hearing "Building a 21st Century VA Health Care System: Assessing Efforts to Restructure the Veterans Health Administration;" 4:00 p.m.; January 28

Senate Special Committee on Aging hearing "Truth in Labeling: Americans Deserve to Know Where Their Drugs Come From;" 9:30 a.m.; January 29

Recently Introduced Health Legislation

H.R.7145 — To amend title XIX of the Social Security Act to establish a definition of essential health system in statute and for other related purposes. Sponsor: Trahan, Lori [Rep.-D-MA-3]; Committees: House - Energy and Commerce

H.Res.1010 — Recognizing 2026 as "The Year of The Power of Nurses" in Celebration of the 130th Anniversary of the American Nurses Association; Sponsor: Underwood, Lauren [Rep.-D-IL-14]; Committees: House - Energy and Commerce

H.R.7147 — Making further consolidated appropriations for the Dept. of Homeland Security for the fiscal year ending September 30, 2026, and for other purposes; Sponsor: Cole, Tom [Rep.-R-OK-4]; Committees: House - Appropriations; Budget

H.R.7148 — Making further consolidated appropriations for LHHS/Defense/THUD for the fiscal year ending September 30, 2026, and health extenders; Sponsor: Cole, Tom [Rep.-R-OK-4]; Committees: House - Appropriations; Budget; Ways and Means

H.R.7164 — To expand cost-sharing reductions with respect to qualified health plans offered through an Exchange, and for other purposes; Sponsor: Schrier, Kim [Rep.-D-WA-8]; Committees: House - Energy and Commerce; Ways and Means

H.R.7165 — To amend section 495 of the Public Health Service Act to require inspections of foreign laboratories conducting biomedical and behavioral research to ensure compliance with applicable animal welfare requirements, and for other purposes; Sponsor: Steube, W. Gregory [Rep.-R-FL-17]; Committees: House - Energy and Commerce

H.Res.1013 — Amending the Rules of the House of Representatives to establish a Permanent Select Committee on Aging; Sponsor: Magaziner, Seth [Rep.-D-RI-2]; Committees: House - Rules

H.R.7170 — To remove linguistic barriers to participation in Gun Violence Prevention Strategies; Sponsor: Chu, Judy [Rep.-D-CA-28]; Committees: House - Judiciary; Energy and Commerce

H.R.7171 — To amend the Omnibus Crime Control and Safe Streets Act of 1968 to award grants for providing legal resources for petitioners seeking extreme risk protection orders, and for other purposes; Sponsor: Chu, Judy [Rep.-D-CA-28]; Committees: House - Judiciary

H.R.7173 — To amend the Public Health Service Act to ensure scientific integrity in the activities of the National Institutes of Health and prevent the diversion of funds to politically driven activities, and for other purposes; Sponsor: DeGette, Diana [Rep.-D-CO-1]; Committees: House - Energy and Commerce

H.R.7177 — To amend title 18, United States Code, to prohibit discrimination by abortion against an unborn child on the basis of Turner syndrome; Sponsor: Feenstra, Randy [Rep.-R-IA-4]; Committees: House – Judiciary

H.R.7181 — To amend the Toxic Substances Control Act to clarify the exemption for replacement parts, and for other purposes; Sponsor: Hudson, Richard [Rep.-R-NC-9]; Committees: House - Energy and Commerce

H.R.7184 — To amend the Controlled Substances Act to prevent the importation of illicit pill press machines with the intent to counterfeit substances, and for other purposes; Sponsor: McDowell, Addison P. [Rep.-R-NC-6]; Committees: House - Energy and Commerce; Judiciary

H.R.7189 — To amend title XVIII of the Social Security Act to provide coverage for certain HIV prevention services furnished by pharmacists under the Medicare program; Sponsor: Pocan, Mark [Rep.-D-WI-2]; Committees: House - Energy and Commerce; Ways and Means

H.Res.1017 — Recognizing the threat of air pollution and extreme heat to maternal and infant health, and expressing the sense of the House of Representatives that meaningful interventions must be rapidly and equitably developed and deployed to address the unique vulnerabilities of pregnancy in Latino communities; Sponsor: Barragán, Nanette Diaz [Rep.-D-CA-44]; Committees: House - Energy and Commerce

H.R.7196 — To amend the District of Columbia Home Rule Act to prohibit the Council of the District of Columbia from enacting any law to permit euthanasia and assisted suicide in the District of Columbia, and for other purposes; Sponsor: Barrett, Tom [Rep.-R-MI-7]; Committees: House - Oversight and Government Reform

H.R.7198 — To amend the Public Health Service Act with respect to the designation of general surgery shortage areas, and for other purposes; Sponsor: Bera, Ami [Rep.-D-CA-6]; Committees: House - Energy and Commerce

H.R.7199 — To amend title 38, United States Code, to provide a burial allowance for certain veterans who die at home while in receipt of hospice care furnished by the Department of Veterans Affairs; Sponsor: Bergman, Jack [Rep.-R-MI-1]; Committees: House - Veterans' Affairs

H.R.7212 — To amend the Federal Food, Drug, and Cosmetic Act to provide for the regulation of cannabinoid hemp products, and for other purposes; Sponsor: Griffith, H. Morgan [Rep.-R-VA-9]; Committees: House - Energy and Commerce

H.R.7227 — To amend the Public Health Service Act, the Employee Retirement Income Security Act of 1974, and the Internal Revenue Code of 1986 to require that group health plans and health insurance issuers offering group or individual health insurance that provide coverage for mental health services and substance use disorder services provide such services without the imposition of cost-sharing from the diagnosis of pregnancy through the 1-year period following such pregnancy, and for other purposes; Sponsor: Moore, Gwen [Rep.-D-WI-4]; Committees: House - Energy and Commerce; Education and Workforce; Ways and Means; Oversight and Government Reform