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Setting Up the Lame Duck: Health Care's Year-End Outlook

Key Updates

- Congress's brief September work period is expected to set the stage for a lame-duck health care package, with nearly 20 programs ("extenders") expiring Dec. 31.
- Health care leaders are looking to use that vehicle to address longer-running policy priorities, including Medicare physician payment, price transparency, insulin costs and PBM reform.

Why It Matters

- The scope of any year-end package could affect funding, reimbursement and compliance priorities across the health care sector, particularly for providers tied to expiring Medicare, rural health, workforce, transparency and No Surprises Act provisions.

Next Steps

- Health care stakeholders should identify which expiring programs and proposed payment or transparency changes affect them, refine their year-end priorities and monitor how the election results and federal funding negotiations shape the lame-duck vehicle.

Congress returned the week of Sept.14 for a brief work period before the campaign season dominates the calendar. The House is holding several hearings and will look to pass certain bills, some under suspension, but members are eager to leave town. The Senate plans to stay through the month, though that will depend on progress in advancing a few items, including the collegiate sports bill, which advanced 74-24 on Sept.15 in an initial procedural vote, while momentum on the cryptocurrency bill halted after failing a procedural vote to unlock floor debate. The Senate appears likely to remain in town to process nominations and get the collegiate sports bill over the finish line.

The real signal in the next few weeks is what members are thinking about the lame duck. Nearly 20 health care programs expire Dec. 31, which means Congress will have to act. Whether anything rides on it depends on the election, the calendar and the fact that more

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than 60 members are leaving and may want one last priority addressed. What follows breaks down what Congress has to do, what health leaders hope to do and what else will compete for floor time when lawmakers return in mid-November.

Expiring Health Care Programs Create a Year-End Opening

Several notable health care extenders expire at the end of 2026, which could create an opening for a broader package.

- **Community Health Center Fund:** The funding stream behind the federal community health center program, which serves roughly 30 million mostly low-income patients through more than 1,500 sites.
- **National Health Service Corps:** Scholarships and loan repayment for clinicians who agree to practice in designated shortage areas.
- **Special Diabetes Programs:** Two separate programs, one funding NIH research into prevention and treatment and one supporting programs delivered through the Indian Health Service. They always move together and enjoy bipartisan support.
- **Medicare-Dependent Hospital Program:** Enhanced inpatient payment for small rural hospitals where Medicare patients make up a large share of admissions.
- **Low-Volume Hospital Adjustment:** An add-on for hospitals with few discharges, recognizing they cannot spread fixed costs across enough volume.
- **Work Geographic Practice Cost Index Floor:** Keeps the geographic adjustment for physician work from dropping below 1.0, which props up payment in rural and lower-cost areas. Doctors in dozens of states, largely in rural and lower-cost regions, benefit from it.
- **Advanced Alternative Payment Model (APM) bonus:** An incentive payment for clinicians with enough revenue flowing through advanced APMs, which encourages practices to take on some downside risk.
- **Delay of Clinical Laboratory Fee Schedule payment cuts:** Postpones the rate reductions and private-payer reporting burden that follow from the Protecting Access to Medicare Act's (PAMA) market-based pricing methodology.
- **Funding for Medicare hospice surveys:** Dedicated money for the required inspection of every Medicare hospice at least once every three years. The survey mandate is permanent but the funding stream could lapse.
- **No Surprises Act implementation funding:** Funding for the balance billing protections and the independent dispute resolution process.

Also expiring is the 2.5% temporary increase under the physician fee schedule, which was intended to address the scheduled pay cut from last year. A key question will be whether Congress addresses this issue or patches it for 2027. Bipartisan legislation below would replace the annual patch with a permanent inflation-linked update and has support from key members of the GOP Doctors Caucus and Democratic Doctors Caucus.

Physician Reimbursement and Price Transparency Top Health Leaders' Lame-Duck Priorities

Energy & Commerce Chair Brett Guthrie (R-KY) and Ranking Member Frank Pallone (D-NJ), introduced the Lower Costs, More Transparency Act of 2026 (H.R. 9393), which advanced out of committee 45-0 in July 2026. The legislation would put price transparency rules into statute, meaning hospitals, labs, imaging providers and surgery centers would have to post real prices in a standardized format anyone can compare. Health plans would have to tell enrollees what a given service will cost them and publish what they pay providers.

Provider groups are gaining momentum on legislation that would address under

reimbursement for physicians. The bipartisan Patients First Act (H.R. 9693) would establish a permanent annual update linked to the Medicare Economic Index, with a floor and ceiling to bring some certainty for providers. It also incorporates elements of the Provider Reimbursement Stability Act (H.R. 8163), which addresses the budget neutrality rules that result in cuts that Congress has routinely addressed at the end of each year. When Medicare raises payment for one service, it requires cuts elsewhere, and the trigger for that offset ($20 million) has not been adjusted in more than 30 years. The bill raises that threshold to $54.3 million and indexes it, requiring Medicare to correct its own utilization projections when they are incorrect. Addressing these issues would be expensive but is long overdue, particularly given the strain on the health care workforce and the access issues many communities are facing.

Insulin and PBM Reforms Look for a Vehicle

Several other efforts are angling to attach themselves to a moving vehicle, if one materializes. Insulin legislation from Sens. Susan Collins (R-Maine) and Jeanne Shaheen (D-N.H.) has bipartisan support and momentum, and Shaheen's upcoming retirement adds urgency to getting it done. Further pharmacy benefit manager (PBM) reforms also have significant support and could produce savings to offset other priorities.

Key Factors That Will Shape the Scope

The immediate challenge is getting anything in motion before current federal funding expires on Dec. 11. Congress will need to have made progress on FY27 funding, or agreed to another short-term continuing resolution, for a health care package to have a vehicle. Negotiating a continuing resolution into 2027 that also carries the National Defense Authorization Act (NDAA), surface transportation, the Farm Bill, extenders and contested items like the hemp provision delay and the OMB grants guidance fight would complicate the prospects considerably.

The White House adds another layer of uncertainty, as happened at the end of 2024, when a negotiated deal collapsed days before it was set to pass.

What’s Next?

The election will clarify the prospects for a broader bipartisan deal. If control of either chamber flips, Democrats may conclude they gain more by waiting for January than by dealing in December. The exception is a narrow Democratic win in the House and a GOP-controlled Senate, where a December deal could be more attractive than carrying these items into the consequential early months of 2027. If the map holds, Republicans have reason to press ahead with a third reconciliation bill.

The other factor is the more than 60 members departing Congress, many of whom will want longstanding priorities addressed, whether policy or appropriations. That combination has produced robust year-end deals before. It could produce an uncharacteristically busy finish to a Congress that has otherwise accomplished little in a bipartisan manner.

For **more information about year-end health care legislation and lame-duck planning**, contact the Polsinelli Public Policy Group or your regular Polsinelli attorney.