

December 10, 2025

2026 Policy Preview: What Health Staffers Need to Know

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AGENDA

- What is CHBRP?
- Federal Policy Updates
- State Policy Updates

WHAT IS CHBRP?



Receives Requests
from the
Legislature



Neutral Analysis



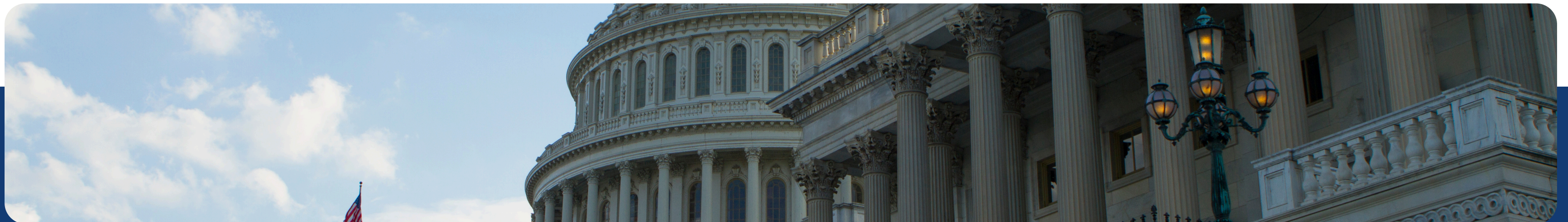
Resources on
Health Insurance
Policy



Evidence-based
Information



Established in
2002 Through
Legislation



Analyses

Policy Context & Background

- What health insurance would have to comply?
- Are related laws already in effect?

Medical Effectiveness

- Which services and treatments are most relevant?
- Does evidence indicate impact on outcomes?

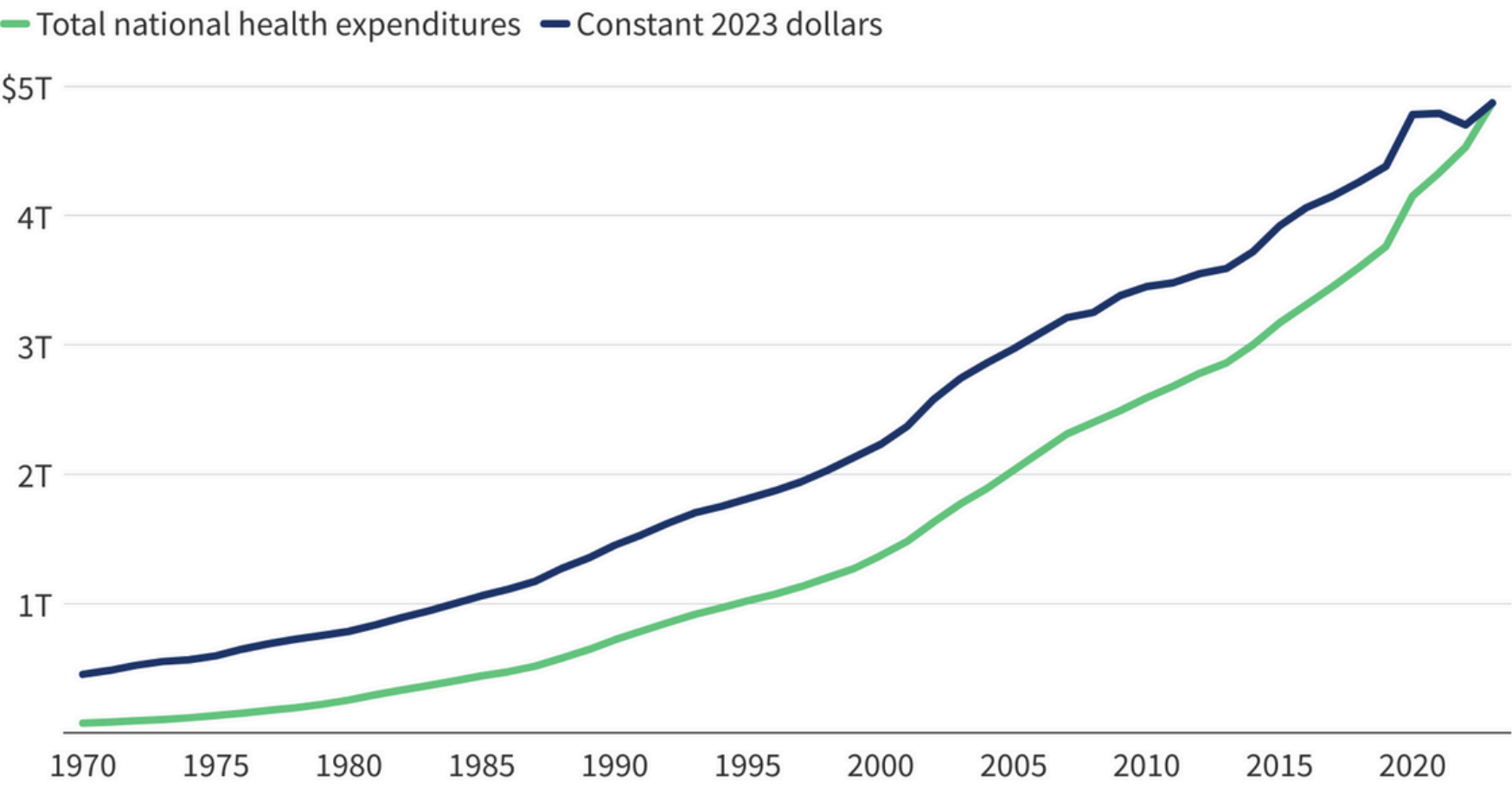
Impacts

- Would benefit coverage utilization or **cost** change?
- Would the **public's health** change?

HEALTH CARE IN THE UNITED STATES

Figure 1

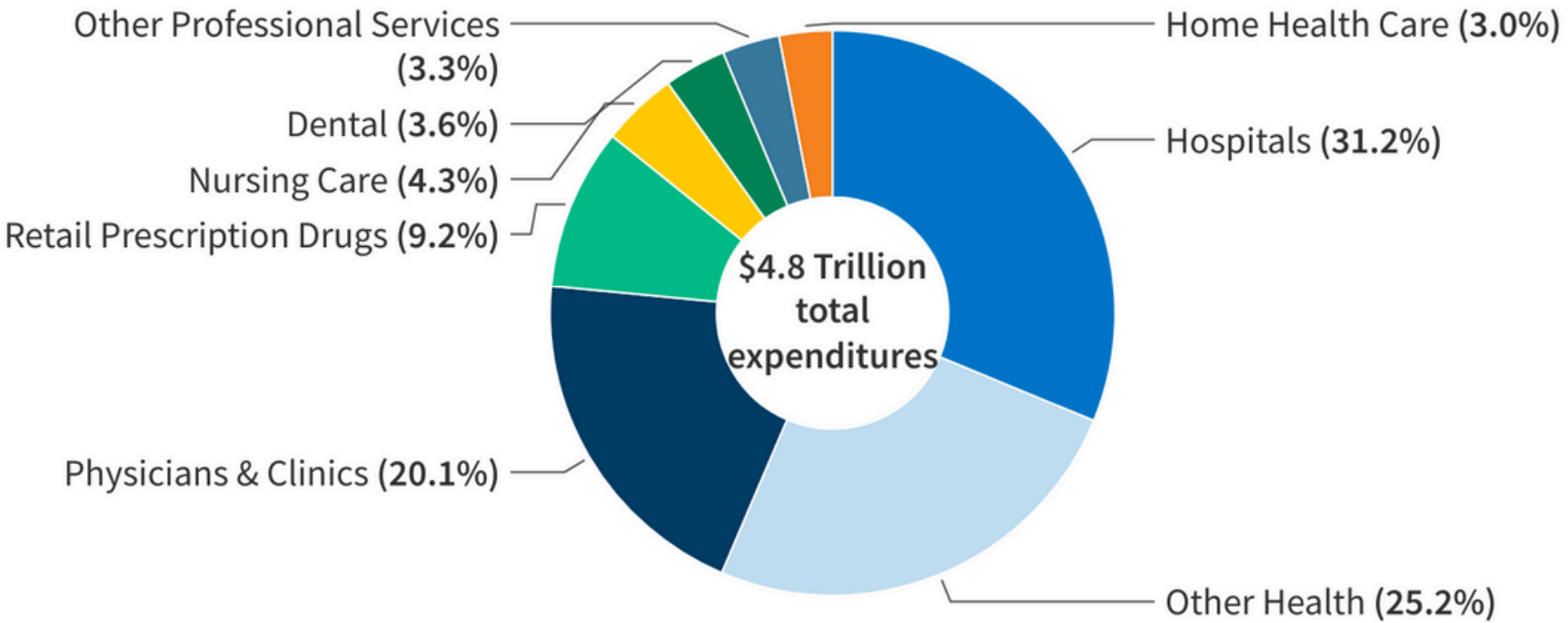
Total National Health Expenditures, US dollars, 1970-2023



Note: Health spending is shown in terms of both nominal dollar values (not inflation-adjusted) and constant 2023 dollars (inflation-adjusted based on the personal consumption expenditures (PCE) annual index).
Source: KFF analysis of National Health Expenditure (NHE) data

Figure 3

Relative Contributions to Total National Health Expenditures, by Service Type, 2023



Note: "Other Health" includes spending on durable equipment and non-durable products, other health, residential, and personal care, government public health activities, administration and net cost of health insurance, and investments. "Other Professional Services" includes services provided by chiropractors, optometrists, physical, occupational, and speech therapists, podiatrists, and private-duty nurses. Nursing care includes nursing care facilities and continuing care retirement communities.

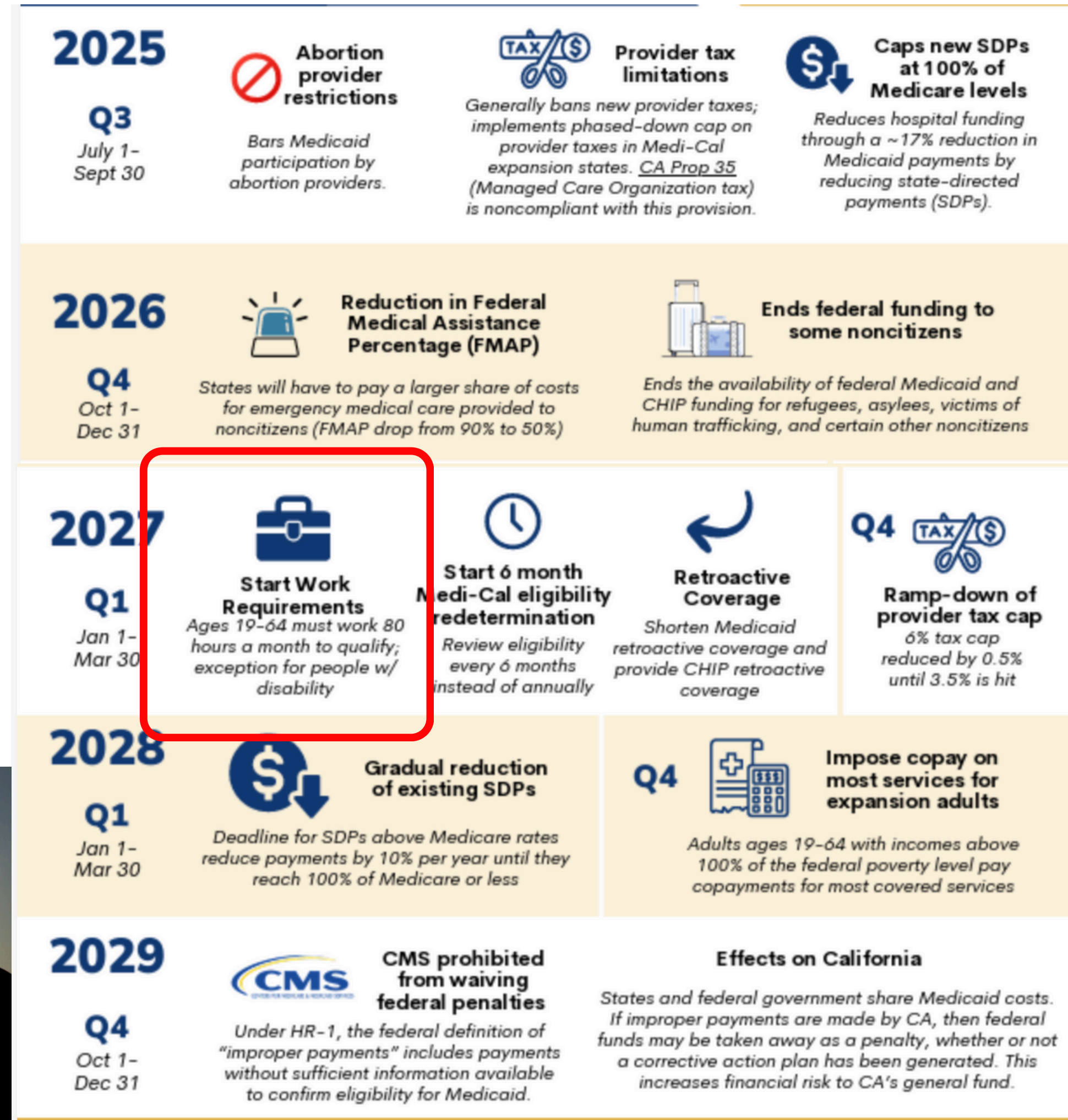
Source: KFF analysis of National Health Expenditure (NHE) data

A photograph of the U.S. Capitol dome in Washington, D.C., featuring a large American flag in the foreground and another flag on the building's facade. The sky is clear blue.

2026 Changes: Federal Law

HR-1: TIMELINE

- Major changes to Medicaid programs
- Staggered implementation
- Today's focus: 2026



HR-1: MEDICAID PROVISIONS



SCAN FOR
MORE INFO



Abortion services and Medicaid ban

Appealed

- Federal Medicaid funding ban for "prohibited entities" that provide abortion services
- 1 year ban ends in July 2026

Enhanced Federal Medical Assistance Percentage Reduction

- Affordable Care Act expansion population
- Share of emergency medical care costs

\$ → \$
90% 50%

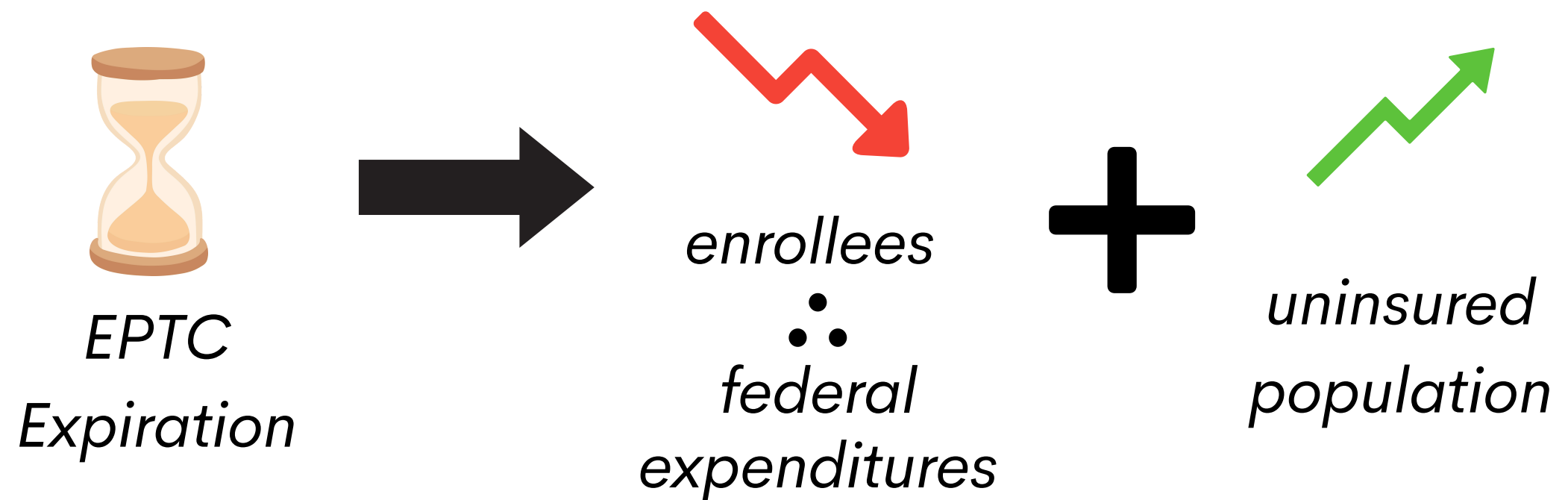


End of federal funding for some noncitizens

- Medicaid and Children's Health Insurance Program (CHIP) funding
- Includes most refugees, asylees, human trafficking victims, among others

ENHANCED PREMIUM TAX CREDITS

- Enhanced subsidies (extension from ACA) set to expire at the end of 2025
- Congressional Budget Office estimates:





CATASTROPHIC HEALTH PLANS

| Current eligibility | + In 2026 |
|---|--|
| <ul style="list-style-type: none">• <30 years of age; or• Cost of coverage exceeds % of income; or• Hardship, as defined | <ul style="list-style-type: none">• Ineligible for Premium Tax Credits or Cost Sharing Reduction and• Income <100% FPL or >250% FPL |



CA, CT, MD, and DC

HSA RULE UPDATES



Eligibility Changes

All bronze and catastrophic plans will now be eligible, regardless of IRS qualification



New Eligible Expenses

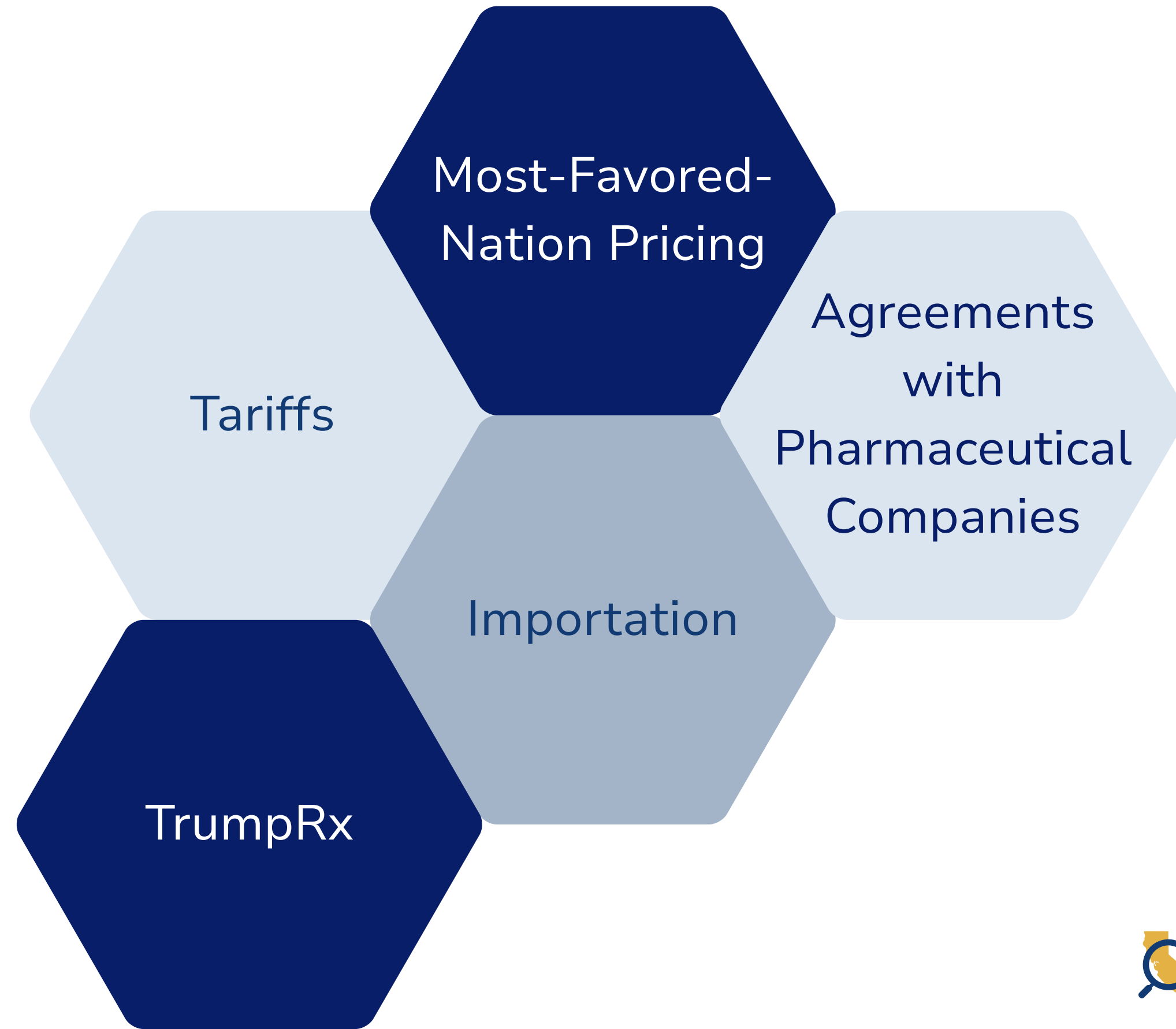
Telehealth and other remote services



Direct Primary Care

Removes ineligibility to enroll in HSA and DPC fees are eligible

PRESCRIPTION DRUGS





RURAL HEALTH TRANSFORMATION

- \$50 billion federal initiative
- State agency driven application
- Aims to boost health care access, quality, and sustainability
 - Workforce development
 - Technology investments
 - New care delivery models

An aerial photograph of a city skyline at sunset. The sky is a mix of orange, yellow, and light blue. In the foreground, the yellow steel structure of the Bix Creek Bridge is visible on the left. The city features a mix of modern high-rise buildings and older, lower-rise structures. The sun is setting behind the buildings, creating a silhouette effect and a warm glow across the scene.

2026 Changes: State Law

CALIFORNIA'S EHB BENCHMARK PLAN

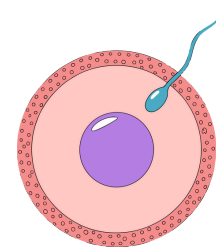


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- Newly added benefits for proposed 2027 benchmark plan (1/1/2027 start):



*Durable medical
equipment*



*Fertility
services*



*Hearing aids
and exams*

- Waiting for federal approval; likely delayed implementation

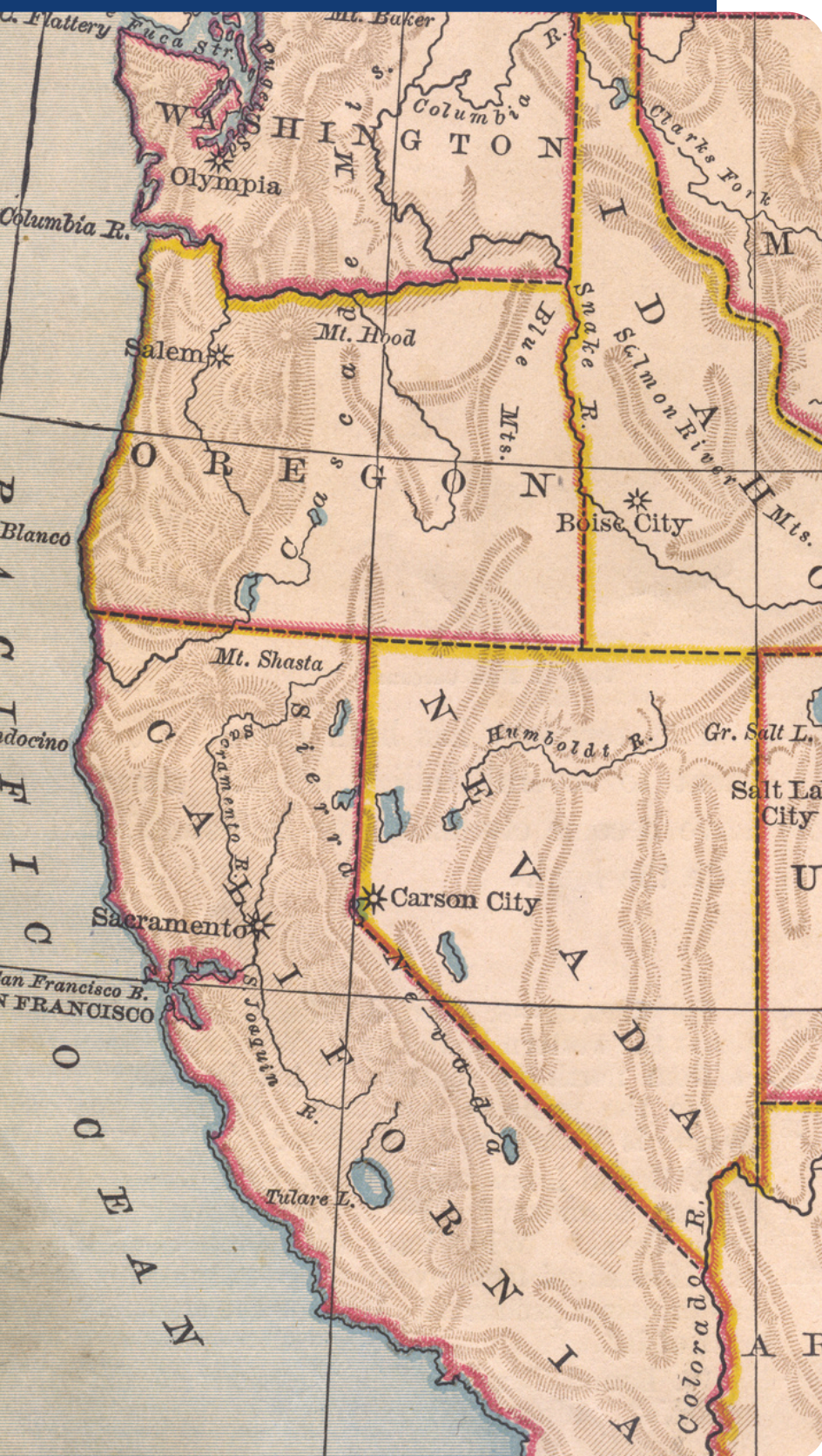
STATE BUDGET IMPACTS: MEDI-CAL



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- January
 - Asset test limits reinstated
 - Enrollment freeze for undocumented adults 19+ (not pregnant or postpartum)
 - No GLP-1 coverage
- July
 - No dental supplemental payments
 - No dental benefits for UIS 19+ years old
 - Lower clinic payments





STATE HEALTH ALLIANCES



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- Intended coordination on public health issues separate from the federal government, including vaccine guidelines
- Alliances to date:
 - West Coast Health Alliance (CA)
 - Northeast Public Health Collaborative
 - Governors Public Health Alliance (CA)

AB 144



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- Gives CA Dept of Public Health authority to update state immunization recommendations according to evidence from certain organizations.
- Omnibus trailer bill, therefore several other provisions: 2028 Olympics, abortion access, gender-affirming care.

CALRX

- Announced in 2019 and signed into law in 2020
- Intended to empower California to develop, produce, and distribute generic drugs at low cost
- Target drugs:
 - ☒ Naloxone: available now – \$22.50 twin pack
 - ☒ Insulin: Jan 1, 2026 – \$55 for 5 pens
 - ☐ Albuterol inhalers in schools



OFFICE OF HEALTH CARE AFFORDABILITY



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- **Focus:** lowering health care costs
- **Primary responsibility:** setting and enforcing spending targets
- **Enforcement:** varies in severity, from technical assistance to financial penalties

PRIOR AUTH



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- Implementation of SB 306 in 2026
- Report to regulators on all health care services subject to prior authorization, including stats by end of the year
- For most frequently approved services, PA must cease starting Jan 1, 2028 (*exceptions for fraud and abuse)
- Sunsets on Jan 1, 2034

NEW BENEFIT MANDATES

See CHBRP's
Resource "[Health
Insurance Benefit
Mandates](#)" for a
full list

SB 40 Insulin

**SB 41 Pharmacy
Benefits - cost
sharing**

**AB 260 Sexual and
Reproductive
Health Care -
Mifepristone**

SB 402 Autism



MANDATE BILLS



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- Jan 23, 2026 deadline for bills held in committee during first year of session to move to the floor
- Qualifying bills that CHBRP analyzed:
 - AB 298 – Cost sharing
 - AB 350 – Fluoride treatment
 - AB 575 – Obesity Prevention Treatment Parity Act
 - SB 535 – Obesity Treatment Parity Act
 - SB 626 – Perinatal health screenings and treatment



Thank you!

**Any
questions?**