

*December 10, 2025*

# 2026 Policy Preview: What Health Staffers Need to Know

---

*Adara Citron, MPH  
An-Chi Tsou, PhD*



# AGENDA

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

# WHAT IS CHBRP?



Receives Requests  
from the  
Legislature



Neutral Analysis



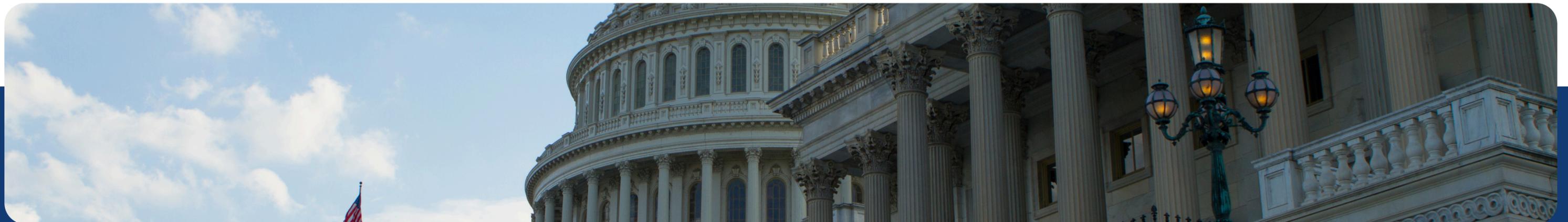
Resources on  
Health Insurance  
Policy



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

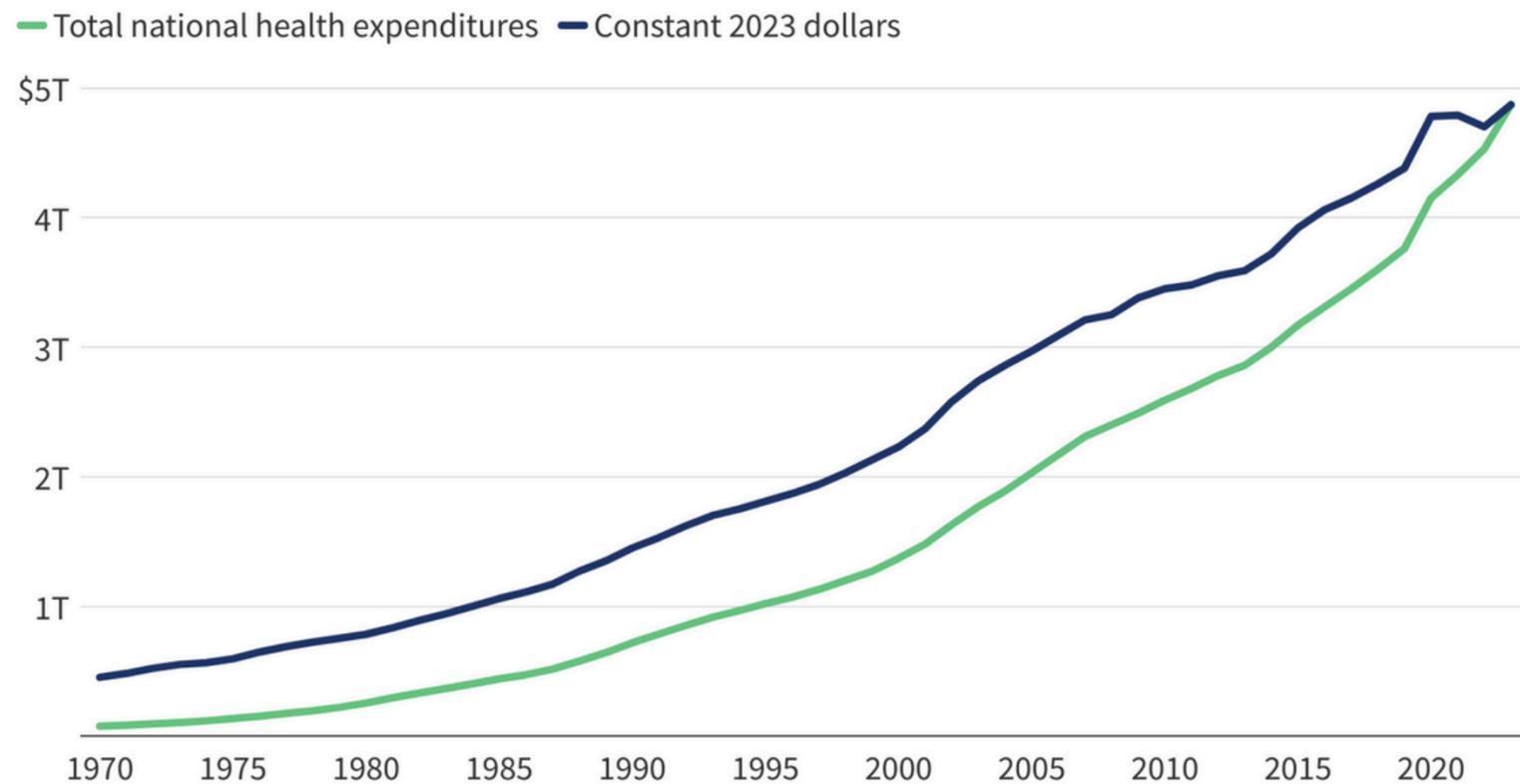
---

- 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**

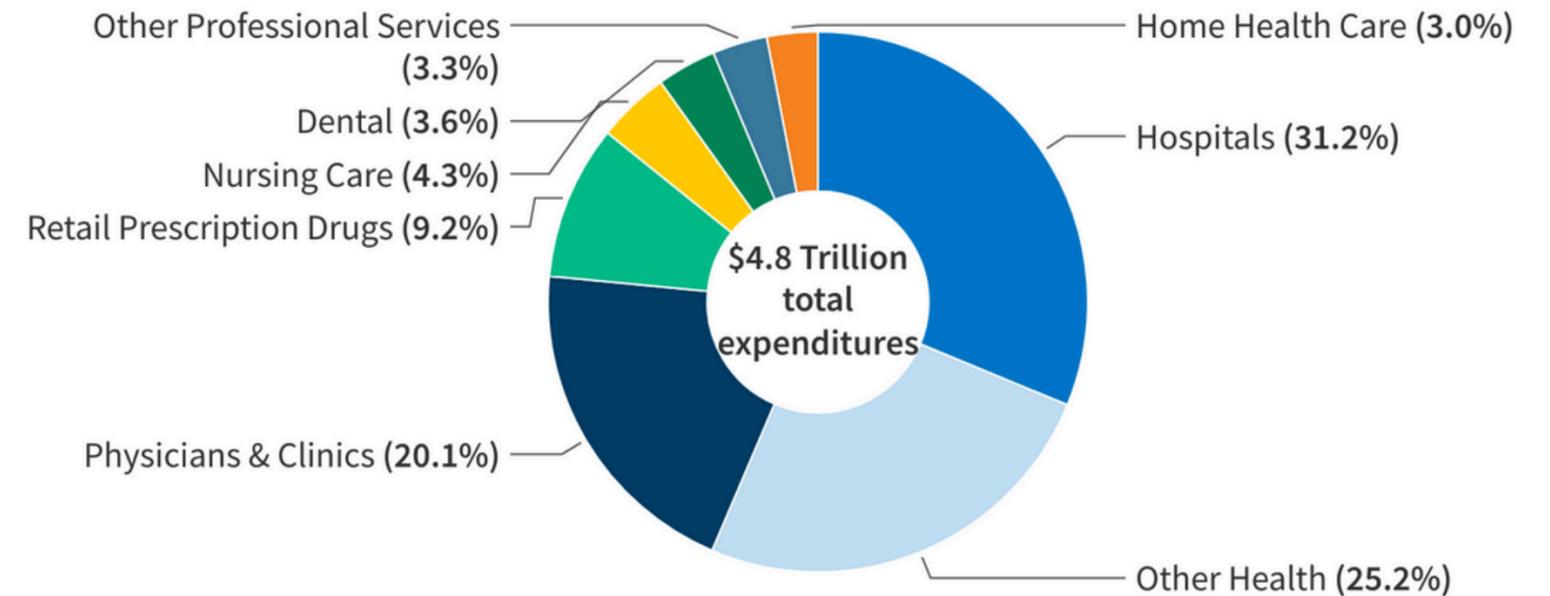


Note: Health spending is shown in terms of both nominal dollar values (not inflation-adjusted) and constant 2023 dollars (inflation-adjusted based on the personal consumption expenditures (PCE) annual index).

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.

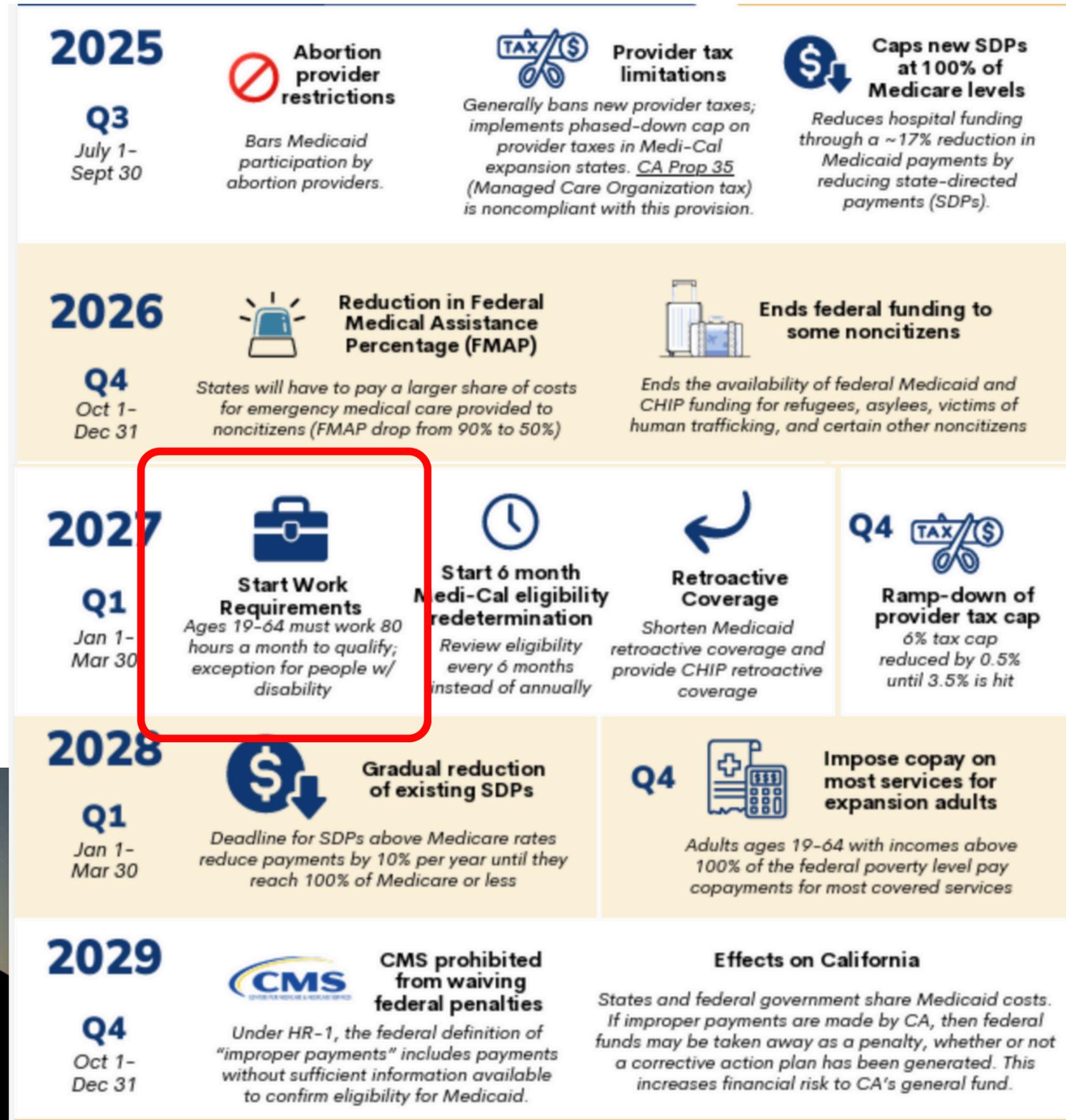
Source: KFF analysis of National Health Expenditure (NHE) data

The image features a close-up, low-angle view of the U.S. Capitol building's dome and upper levels. The building is white with classical architectural details, including a series of arched windows and a balcony. In the foreground, several American flags are visible, some in sharp focus and others blurred, creating a sense of depth. The sky is a clear, bright blue. A black, rounded rectangular box is overlaid on the lower-left portion of the image, containing white text.

**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

Appealed



## Abortion services and Medicaid ban

- 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%



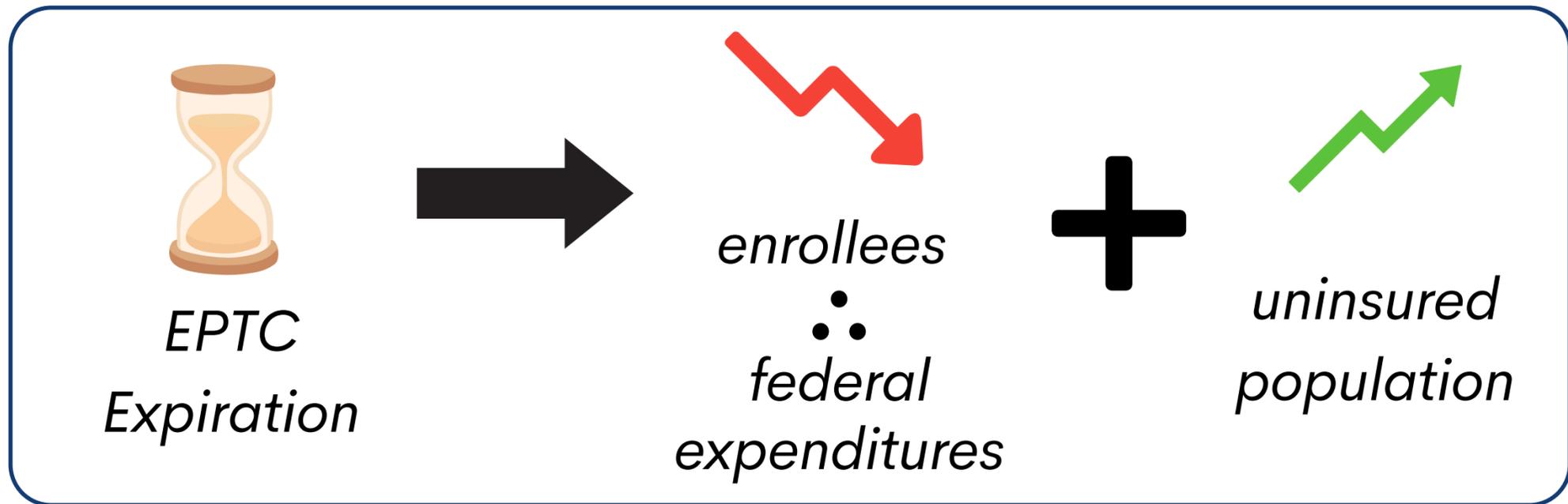
## End of federal funding for some noncitizens

- 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"><li>• &lt;30 years of age; or</li><li>• Cost of coverage exceeds % of income; or</li><li>• Hardship, as defined</li></ul>	<ul style="list-style-type: none"><li>• Ineligible for Premium Tax Credits or Cost Sharing Reduction and</li><li>• Income &lt;100% FPL or &gt;250% FPL</li></ul>



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

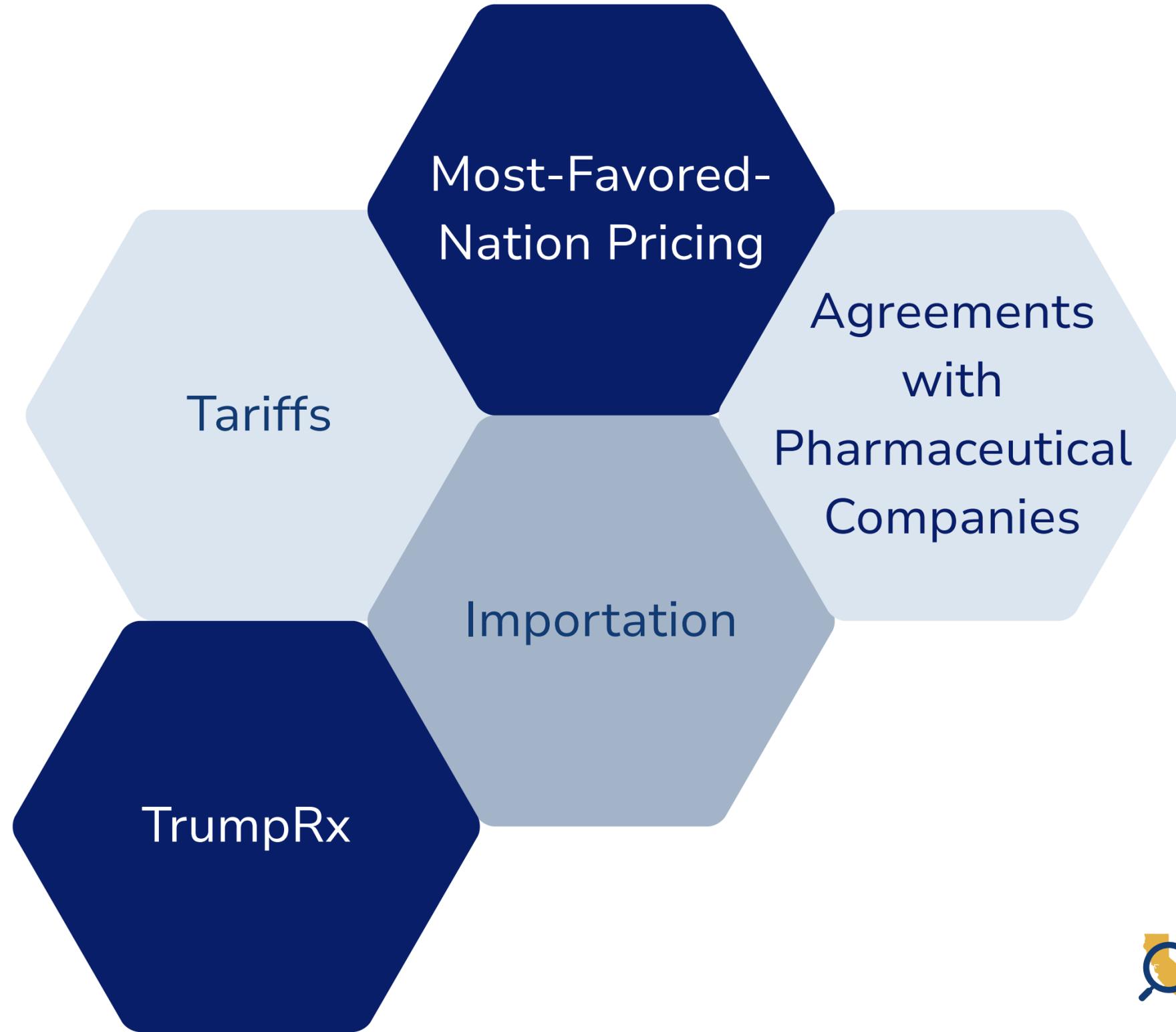
Telehealth and other remote services



## 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



**2026 Changes:  
State Law**

# CALIFORNIA'S EHB BENCHMARK PLAN

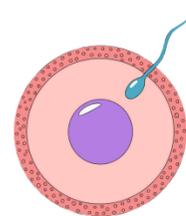


SCAN FOR  
MORE INFO

- 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

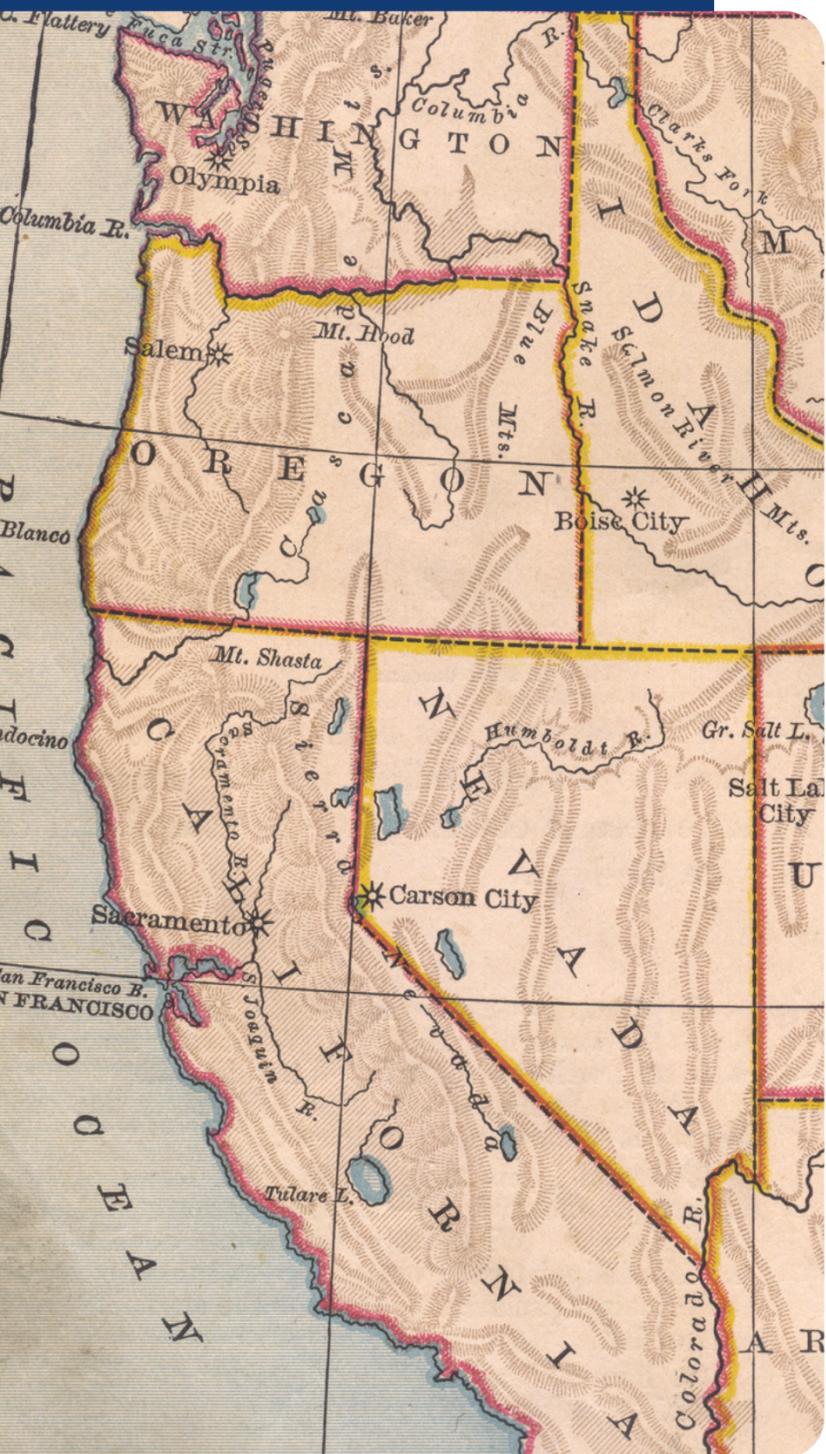
# STATE BUDGET IMPACTS: MEDI-CAL



SCAN FOR  
MORE INFO

- 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



SCAN FOR  
MORE INFO

- 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



SCAN FOR  
MORE INFO

- 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



SCAN FOR  
MORE INFO



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

# PRIOR AUTH



SCAN FOR  
MORE INFO

- 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



SCAN FOR  
MORE INFO

- 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?**