

The Policy Shift: 2026 Updates and Changes in Government-Funded Health Coverage

Garriona Lucas, PharmD, RPh, PGY1 Pharmacy Resident
National Diamondback Pharmacy Alumni Council Convention
June 19th, 2026

Financial disclosure

The speaker and planning committee have no relevant financial relationships to disclose.

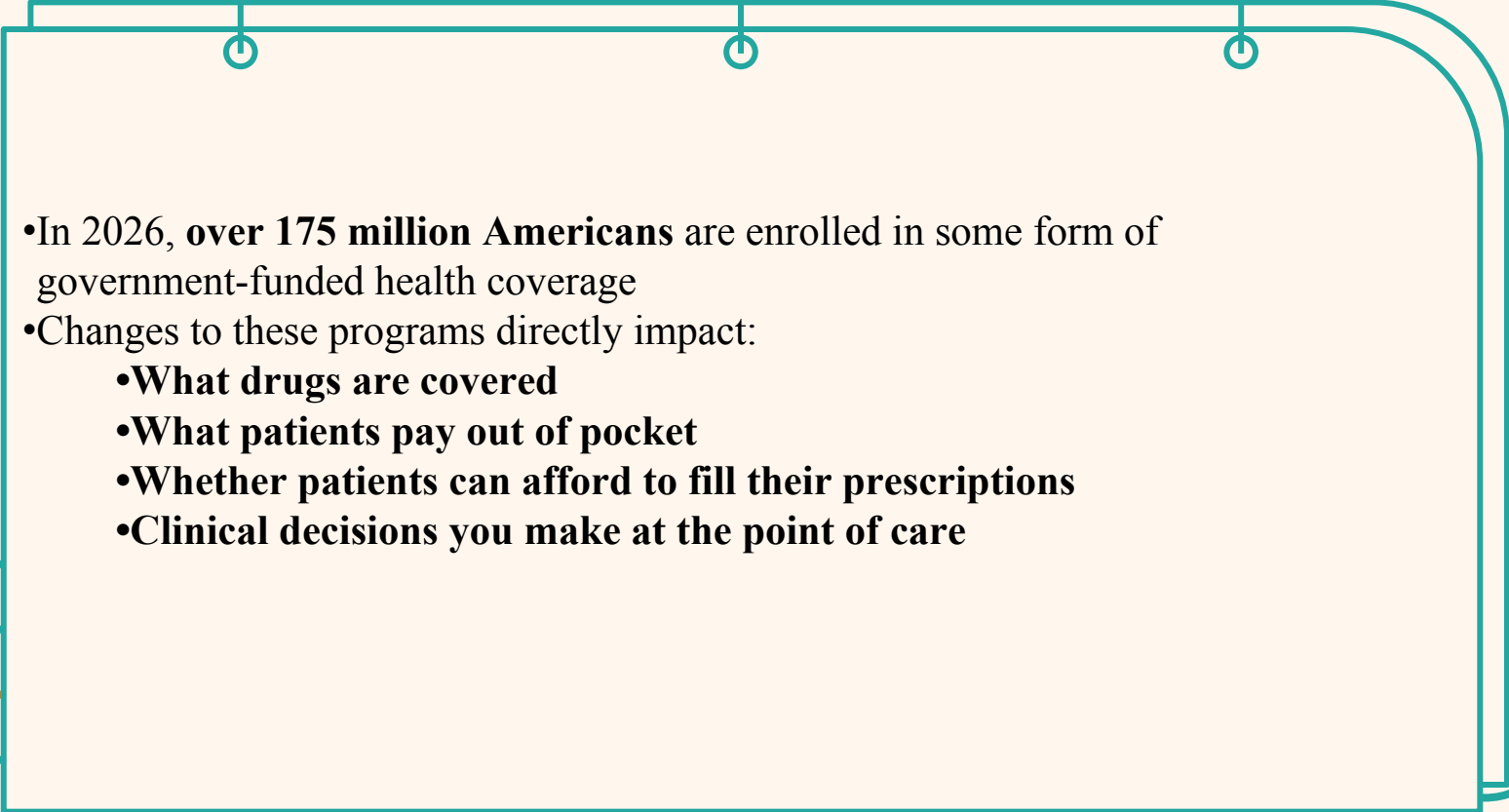
Objectives

1. Summarize major policy changes impacting Medicare, Medicaid, and Marketplace coverage
2. Identify areas where coverage modifications may influence clinical decision-making
3. Explain how recent updates affect member benefits, cost-sharing, and access to care



**Why this
matters for
pharmacist?**

Background

- 
- In 2026, **over 175 million Americans** are enrolled in some form of government-funded health coverage
 - Changes to these programs directly impact:
 - **What drugs are covered**
 - **What patients pay out of pocket**
 - **Whether patients can afford to fill their prescriptions**
 - **Clinical decisions you make at the point of care**

Coverage overview

landscape
of
government
funded

Coverage overview

Program	Enrollees (Approx. 2026)	Primary Population
Medicare	~67 million	Age 65+, certain disabilities
Medicaid/CHIP	~85 million	Low-income individuals/families
ACA Marketplace	~21 million	Uninsured working-age adults
TRICARE/VA	~18 million	Military/Veterans

Combined: Nearly 1 in 2 Americans depends on government-funded health coverage

Part 1

Policy Environment

Legislative drivers

- The **Inflation Reduction Act (IRA)** provisions continuing to phase in
- Congressional budget reconciliation discussions impacting program funding
- "**One Big Beautiful Bill**" — major reconciliation package moving through Congress with significant Medicaid and ACA implications
- State-level Medicaid waiver activity at historic highs

administrative drivers

- CMS final rules for Medicare Advantage and Part D
- Medicaid eligibility redetermination aftermath
- Enhanced subsidies for Marketplace coverage under debate for extension

Part 2

Medicare updates

demographics

- Average beneficiary age: **71.4 years**
- **90%** of Medicare beneficiaries take at least one prescription medication
- **60%** take 5 or more medications (polypharmacy)
- Medicare accounts for approximately **29% of all retail prescription drug spending**

inflation reduction act milestones

2023	2024	2025	2026	2027
Insulin cap at \$35/month for Medicare beneficiaries	Vaccine coverage at \$0 cost-sharing; catastrophic phase redesign	\$2,000 annual out-of-pocket cap on Part D** took effect	Medicare Drug Price Negotiation — first negotiated prices take effect	Additional drugs added to negotiation list

Drug negotiation program

For the first time in Medicare's history, CMS has the authority to **directly negotiate drug prices** with manufacturers.

CMS finalized negotiated prices for the **first 10 Part D drugs**, with maximum fair prices (MFPs) effective **January 1, 2026**

Pharmacist Impact: These negotiated prices apply to **Part D plans only**, not commercial insurance. Patients on Medicare Part D filling these drugs should see **significantly lower cost-sharing** at the pharmacy counter.

Drug negotiation program

Drug	Brand Name	Condition
Eliquis	Apixaban	Anticoagulation/AF
Jardiance	Empagliflozin	T2DM/Heart Failure
Xarelto	Rivaroxaban	Anticoagulation
Januvia	Sitagliptin	Type 2 Diabetes
Farxiga	Dapagliflozin	T2DM/HF/CKD
Entresto	Sacubitril/valsartan	Heart Failure
Enbrel	Etanercept	Autoimmune
Imbruvica	Ibrutinib	Blood cancers
Stelara	Ustekinumab	Psoriasis/IBD
Fiasp/NovoLog	Insulin aspart	Diabetes

\$2,000 out-of-pocket max

Changes:

- **Eliminated the "donut hole"** coverage gap entirely
- Once a beneficiary reaches **\$2,000 in OOP costs**, they pay **\$0** for the rest of the year
- Applies to **all Part D plans**, including Medicare Advantage with Part D

The Medicare Prescription Payment Plan (M3P)

- Also called the **"Smoothing" Option**
- Allows beneficiaries to **spread their OOP costs over the calendar year** (up to \$2,000 spread across 12 months)
- Opt-in program — beneficiary must elect this option through their plan

Medicare advantage (part c)

CMS finalized significant changes to Medicare Advantage for 2026:

1. Prior Authorization Reforms

•MA plans must:

- Respond to standard PA requests within 7 calendar days**
- Respond to urgent PA requests within 72 hours**
- Honor PA approvals for the duration of treatment** (no mid-treatment authorization revocations without clinical basis)
- Post PA criteria publicly on their websites

2. Step Therapy Restrictions

- New CMS guidance limits overly burdensome step therapy requirements
- Exception: Step therapy cannot require a patient to try a medication they have previously failed**
- Documentation of previous treatment failures must be honored

Medicare advantage (part c)

3. Utilization Management Guardrails

- MA plans must conduct **annual reviews** of UM policies
- Independent oversight of UM decisions strengthened
- **Gold carding** provisions being implemented in several states — patients with proven adherence records may bypass prior authorization for certain medications

Medicare part b

Biosimilar Payment Policy

- ASP (Average Sales Price) adjustments ongoing
- CMS continues to incentivize biosimilar use through differential payment rates
- **6% add-on for biosimilars vs. 6% for reference biologics** in certain contexts — creating prescriber incentives to switch

Part B Drug Price Negotiation (Horizon)

- IRA authorizes **Part B drug negotiation beginning 2028** — planning and stakeholder input underway in 2026
- Primarily impacts infused biologics and oncology agents

Part 3

Medicaid updates

Overview

Medicaid is experiencing its **most significant structural debate since the ACA's expansion** in 2014.

- **Post-COVID unwinding** removed ~24 million people from Medicaid rolls (2023–2024)
- Federal legislative proposals in 2026 represent the **largest proposed Medicaid restructuring in decades**

provisions

1. Federal Medicaid Funding Structure — Shift Toward Per Capita Caps

Proposed move from **open-ended federal matching (FMAP)** to a **per capita cap or block grant model** for certain populations

- **Impact:** States receiving less federal funding may:
 - **Reduce covered benefits**
 - **Restrict eligibility criteria**
 - **Increase cost-sharing for beneficiaries**
 - **Limit formulary options**

provisions

2. Work Requirements

- Federal proposal requires **able-bodied adults without dependents (ages 19–55)** to document:
 - Employment (minimum 80 hours/month)
 - Community service
 - Education/vocational training
 - **Or qualify for an exemption**

3. Eligibility Redetermination Frequency

- Proposals to require **more frequent eligibility redeterminations** (every 6 months vs. current annual requirement in many states)
- Historically, more frequent redeterminations = **higher coverage churn**
- Coverage gaps = **medication adherence gaps**

provisions

4. Enhanced Federal Match (FMAP) Changes for Expansion States

- Proposed reduction or elimination of the **enhanced 90% federal match** for ACA expansion population
- States currently offering Medicaid expansion may face difficult decisions:
 - Maintain expansion with higher state cost
 - **Reduce eligibility thresholds**
 - Exit the expansion

State waivers

Benefit Expansion

- **GLP-1 Agonist Coverage for Obesity:** Several states have sought waivers to cover GLP-1 medications (semaglutide, tirzepatide) for obesity management — a **historically excluded benefit** in Medicaid
- **Doula/Community Health Worker Services:** Expanded coverage in maternal health-focused waivers
- **Social Determinants of Health (SDOH) Services:** Housing, nutrition, transportation covered under approved 1115 waivers in select states

State waivers

Benefit Restrictions/Restrictions on Eligibility

- **Work requirement waivers** reapplied/pending in **10+ states**
- **Premium requirements** for certain adult populations
- **Copayment increases** for non-emergency ER use

Part 4

Marketplace updates

Enhanced premium tax credit

Since 2021, **enhanced ARP/IRA subsidies** have:

- Capped premiums at **no more than 8.5% of household income** for all income levels
- Made coverage **free or near-free** for individuals below 150% FPL
- **Eliminated the "subsidy cliff"** at 400% FPL

2026 Legislative Uncertainty

- The enhanced PTCs were extended through **2025** by the IRA
- **Congress must act** to extend them further
- **If no extension occurs:**
 - **Millions face dramatic premium increases**
 - **3–5 million people could lose coverage** due to affordability
 - Marketplace enrollment cliff expected for 2027 plan year

Coverage & benefit changes

EHB Category

2026 Notable Updates

Prescription Drugs

Continued enforcement of meaningful drug coverage requirements

Preventive Services

Braidwood v. Becerra ongoing litigation — potential impact on cost-free preventive services

Mental Health/SUD

Mental health parity enforcement strengthened

Maternity/Newborn Care

Expanded coverage requirements in final rules

Rehabilitative Services

Coverage criteria oversight increased

Cost-sharing

Plan Type	Individual OOP Max	Family OOP Max
All Marketplace Plans	\$9,450	\$18,900
High-Deductible Health Plans (HDHPs)	Varies	Varies

Cost-Sharing Reductions (CSRs)

- Available to enrollees **between 100–250% FPL** who select **Silver-tier plans**
- Significantly reduces deductibles and copayments
- Many low-income enrollees unaware they qualify — impacts medication affordability decisions

Resources

Official Sources:

- [CMS.gov](https://www.cms.gov)
- [KFF.org](https://www.kff.org) (Kaiser Family Foundation)
- [Medicaid.gov](https://www.medicaid.gov)
- [Congress.gov](https://www.congress.gov)

Professional Organizations:

- American Pharmacists Association (APhA)
- American Society of Health-System Pharmacists (ASHP)
- National Alliance of State Pharmacy Associations (NASPA)
- State pharmacy association newsletters

References

1. Centers for Medicare & Medicaid Services. *Medicare & You 2024 Handbook*. CMS.gov. 2023.
2. Centers for Medicare & Medicaid Services. *Medicaid Program Overview*. Medicaid.gov. 2024.
3. Kaiser Family Foundation. *Medicare Advantage 2024 Spotlight: First Look*. KFF.org. 2023.
4. Kaiser Family Foundation. *Status of State Medicaid Expansion Decisions*. KFF.org. 2024.
5. U.S. Department of Health and Human Services. *The Affordable Care Act and the Health Insurance Marketplace*. HHS.gov. 2023.
6. Social Security Administration. *Extra Help with Medicare Prescription Drug

Thanks!


Do you have any questions?

Glucas05@yahoo.com



CREDITS: This presentation template was created by **Slidesgo**, including icons by **Flaticon**, and infographics & images by **Freepik**
Please keep this slide for attribution

2
0
2
2



NL5

8