Weekly Checkup

The Midterms Redraw the Health Policy Landscape

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The 2026 midterm elections dramatically altered the political landscape for health policy. Democrats captured both chambers of Congress, flipped several Republican-held governorships, and gained control of state legislative chambers across the country. While the final margins are still being determined, the implications for 2027 are already considerable. Rising committee leadership will redirect congressional priorities, state governments will operate under new political mandates, and health policies already underway will face fresh scrutiny. **The elections did not resolve underlying disagreements over health care, but their results substantially changed the conditions under which those disagreements will be addressed.**

In Congress, Democrats' newly secured majorities will quickly reshape the health policy agenda. Senators Ron Wyden (D-OR) and Bernie Sanders (I-VT) are positioned to chair the Senate committees on Finance and Health, Education, Labor, and Pensions (HELP), respectively, while Representatives Frank Pallone (D-NJ) and Richard Neal (D-MA) will likely lead the House committees on Energy and Commerce and Ways and Means. Rep. Rosa DeLauro (D-CT) and Sen. Patty Murray (D-WA) are positioned to regain the gavels of their respective Appropriations committees and shape federal health agency funding priorities. These changes will largely determine where Congress concentrates its oversight of Medicare, Medicaid, and federal health agencies.

The Republican side of these committees presents a more complicated picture. Sen. Mike Crapo (R-ID) and Reps. Brett Guthrie (R-KY) and Jason Smith (R-MO) are positioned to become ranking members of Senate committee on Finance, and House committees on Energy and Commerce and Ways and Means, respectively. On Appropriations, Rep. Tom Cole (R-OK) is positioned to become ranking member, while Sen. Lisa Murkowski (R-AK) could assume the same role following Susan Collins' (R-ME) electoral defeat. At Senate

HELP, however, Chairman Bill Cassidy's (R-LA) primary defeat, combined with the electoral losses of other senior Republicans both on and off the committee has scrambled its seniority structure and membership. This crucial selection will help determine which Food and Drug Administration (FDA), public health, and pharmaceutical priorities Republicans carry into the next Congress, and which bipartisan negotiations retain momentum.

Medicare and Medicaid offer an immediate test of future prioritization. The incoming Congress arrives as substantial policy changes in Medicaid eligibility and financing enacted through the 2025 reconciliation law, including work requirements scheduled to take effect in January 2027. Democrats could seek to modify or repeal portions of that law, but the more immediate actions may center on implementation oversight. State readiness, federal guidance and support, and potential coverage losses could become subjects of congressional inquiry.

Pharmaceutical policy presents a somewhat counterintuitive opportunity. The Trump Administration's most-favored-nation pricing initiatives and agreements with drug manufacturers have drawn criticism from congressional Democrats, particularly over their lack of transparency and uncertain benefits. Yet the underlying concept of tying U.S. drug prices to those abroad has also attracted support from Democrats, including Sanders, and Sens. Peter Welch (D-VT) and Josh Hawley (R-MO) have pursued related bipartisan legislation. **A Democratic-led Congress could therefore be more willing than its Republican predecessor to codify elements of the president's drug pricing agenda, even as it investigates the existing agreements**. Whether such cooperation survives disagreements over policy design is another matter. Still, drug pricing may become an area of negotiation rather than exclusively a source of confrontation.

Other legislative priorities cannot easily be deferred. The Prescription Drug User Fee Act (PDUFA) must be reauthorized before its current authority expires on September 30, 2027. FDA and industry have already negotiated proposed commitments for PDUFA VIII that stipulate performance goals for the agency, but the next Congress will determine the eventual legislative package. Questions surrounding FDA accountability, evidentiary standards, review capacity, and agency operations could take on greater prominence as lawmakers consider additional provisions for reauthorization. With substantial committee turnover, the process will provide an early test of whether established bipartisan FDA negotiations can survive a markedly different Congress.

Before that Congress convenes, the lame-duck session presents its own choices. Government funding expires December 11, and negotiations over year-end health provisions may provide an opening for unfinished priorities. Departing Republicans may see a final opportunity to move legislation before relinquishing their gavels, while incoming

Democratic leaders may prefer to retain leverage for January. Reconsideration of the expired enhanced Affordable Care Act premium tax credits, which have left some enrollees facing steeply higher net premiums, could likewise become an early test of the new congressional balance of power. **The election may shape what is worth settling now and what gets left to new negotiators.**

Beyond Capitol Hill, Democratic gubernatorial victories in Texas, Georgia, Ohio, and Iowa have replaced unified Republican government with divided control. The new governors will face opposition-controlled legislatures but will influence agency appointments, Medicaid waivers, budgets, and insurance administration. That influence may be especially visible as states implement federal Medicaid changes under different political pressures and administrative circumstances.

Legislative gains in Wisconsin, Minnesota, Michigan, and Pennsylvania also create opportunities for unified Democratic government and different approaches to coverage and regulation. The attorney general elections introduce another variable. Changes in these legal coalitions could affect which federal health regulations face litigation, receive state support, or proceed without opposition from states that previously challenged them.

The midterms have not resolved the country's longstanding disagreements over health care costs, coverage, innovation, or the appropriate role of government – yet those yielding power over key decisions has clearly changed. Federal regulations will continue through implementation, states will exercise authority under existing statutes, and Congress will wield greater leverage over funding, oversight, and legislative negotiations. At the same time, previously unlikely alliances could emerge on issues where the president's policy ambitions overlap with those of congressional Democrats. **For policymakers and stakeholders alike, understanding this new leadership configuration will be essential to navigating health policy in 2027.**