



TTAA Legislative & Regulatory Update

December 15, 2025

Congressional Update

Both the House and Senate are expected to adjourn at the end of this week and return during the first full week of January.

Healthcare:

Today is the final day for enrollment in Affordable Care Act (ACA) exchange coverage for 2026. Congress has not reached agreement on legislation addressing the issue. The enhanced premium tax credits are scheduled to expire at the end of the month, which would result in higher premiums in 2026.

Last Thursday, the Senate considered two proposals related to projected premium increases. The first, a Democratic-led bill brought forward under the November government funding agreement, would extend the enhanced premium tax credits for three years without policy changes. Four Republicans—Sens. Susan Collins (R-ME), Josh Hawley (R-MO), Lisa Murkowski (R-AK), and Dan Sullivan (R-AK)—voted in favor. The bill did not receive the 60 votes required for consideration to proceed.

The Senate then voted on a Republican proposal introduced by Sens. Mike Crapo (R-ID) and Bill Cassidy (R-LA). That measure would expand health savings accounts and provide additional funding for healthcare expenses. The proposal also failed to meet the 60-vote threshold. All Republicans except Sen. Rand Paul (R-KY) supported the bill, while all Democrats voted against it.

In the House, Speaker Mike Johnson (R-LA) released a Republican healthcare proposal on Friday. The bill includes provisions to increase transparency requirements for pharmacy benefit managers, fund cost-sharing reductions for lower-income individuals enrolled in ACA plans, allow small businesses to offer coverage through association health plans, and expand access to stop-loss insurance for employers. Each provision has previously passed the House. Leadership plans to bring the measure to the floor under a rule allowing passage by a simple majority.

The proposal does not include an extension of the enhanced ACA premium tax credits. House leadership is considering whether to allow an amendment that would extend the credits for two years and include reforms. Some members oppose consideration of such an amendment and have indicated they would seek a vote on an additional amendment related to abortion coverage in marketplace plans. Given the narrow Republican majority, disagreements within the conference could affect the bill's prospects.

Several House members have filed discharge petitions seeking floor votes on legislation extending the ACA subsidies. Rep. Brian Fitzpatrick (R-PA) filed a petition for a bill that would extend the credits for two years, limit eligibility to households earning less than 700 percent of the federal poverty level, and require a minimum monthly premium contribution of \$5. Reps. Josh Gottheimer (D-NJ) and Jen Kiggans (R-VA) filed a petition tied to a separate bill that would extend the credits for one year for households earning under 600 percent of the poverty line and include provisions addressing fraud and pharmacy benefit managers. Democrats filed an additional discharge petition for a bill extending the credits for three years without reforms. Under House procedural rules, none of these measures would be eligible for floor consideration before January.

National Defense Authorization Act (NDAA):

Last week, five Republicans—Reps. Lauren Boebert (R-CO), Tim Burchett (R-TN), Marjorie Taylor Greene (R-GA), Anna Paulina Luna (R-FL), and Tom Massie (R-KY)—joined Democrats in voting against the rule governing floor consideration of the NDAA. Several Republican members, including Reps. Rob Bresnahan (R-PA), Brian Fitzpatrick (R-PA), Carlos Gimenez (R-FL), Nick LaLota (R-NY), Mike Lawler (R-NY), and Maria Elvira Salazar (R-FL), did not initially vote.

House leadership kept the vote open for more than an hour. Sufficient support was eventually secured to allow the rule to pass by a vote of 215–211. The House later passed the NDAA by a vote of 312–112, with 197 Republicans and 115 Democrats voting in favor.

The Senate is expected to consider the NDAA this week. A potential issue involves objections from Sens. Ted Cruz (R-TX) and Maria Cantwell (D-WA) regarding a provision that would reverse aviation safety changes implemented after a military helicopter collided with a commercial aircraft near Washington, D.C. Amendments have been filed to modify that provision. If adopted, the bill would return to the House for further action.

Appropriations:

Senate leaders have not resolved holds on a five-bill appropriations package that includes Commerce–Justice–State, Defense, Interior, Labor–Health and Human Services, and Transportation–Housing and Urban Development. Senators placing holds have sought removal of the Labor–HHS bill and elimination of earmarks.

House Republican appropriators are also discussing a narrower funding package that would exclude both the Defense and Labor–HHS bills. Neither chamber is expected to vote on appropriations measures this week. Current government funding expires on January 30.

House:

The House is scheduled to be in session through Thursday. The agenda includes nine bills to be considered under a rule requiring a simple majority vote. These include four measures from the Energy and Commerce Committee, including the Republican healthcare proposal, a bill prohibiting Medicaid funding for gender-affirming care for minors (H.R. 498), and two energy-related bills—the Reliable Power Act (H.R. 3616) and the Power Plant Reliability Act (H.R. 3632).

The Judiciary Committee bills include legislation requiring criminal and gang-affiliation screening for certain unaccompanied minors (H.R. 4371) and a bill criminalizing gender-affirming care for minors (H.R. 3492). Three additional bills from the Natural Resources Committee are also scheduled, addressing environmental review processes (H.R. 4776), establishment of an Abandoned Hardrock Mine Fund (H.R. 1366), and removal of the gray wolf from the endangered species list (H.R. 845).

The schedule also includes 20 measures to be considered under suspension of the rules, requiring a two-thirds majority for passage. These include bills related to public land and water management, transportation programs, education and workforce issues, oversight matters, and a measure honoring two National Guard members killed in Washington, D.C., in November.

The House may also consider two resolutions under the War Powers Resolution. One would direct the President to end military activities involving designated terrorist organizations in the Western Hemisphere, and the other would direct the removal of U.S. forces from activities involving Venezuela that have not been authorized by Congress.

Senate:

The Senate is scheduled to remain in session through Friday. The chamber will vote on several administration nominees, including Derek Theurer for Deputy Undersecretary for Legislative Affairs at the Department of the Treasury. Leadership also plans to bring the NDAA (S. 1071) to the floor. In addition, the Senate may vote on a bipartisan resolution (S.J. Res. 98) related to limiting presidential authority to conduct military action involving Venezuela.

Treasury, IRS Provide Guidance on New Tax Benefits for Health Savings Account Participants Under the OBBB

The Department of the Treasury and the Internal Revenue Service today issued [Notice 2026-05 PDF](#) providing guidance on new tax benefits for Health Savings Account participants under the One, Big, Beautiful Bill. These changes expand HSA eligibility, which allows more people to save and to pay for healthcare costs through tax-free HSAs.

Expansion of HSA Eligibility Under the OBBB

The OBBB expands access to HSAs by making the following changes:

- **Telehealth and Remote Care Services:** The OBBB made permanent the ability to receive telehealth and other remote care services before meeting the high-deductible health plan (HDHP) deductible while remaining eligible to contribute to an HSA, effective for plan years beginning on or after Jan. 1, 2025.
- **Bronze and Catastrophic Plans Treated as HDHPs:** As of Jan. 1, 2026, bronze and catastrophic plans available through an Exchange are considered HSA-compatible, regardless of whether the plans satisfy the general definition of an HDHP. This expands the ability of people enrolled in these plans to contribute to HSAs, which they generally have not been able to do in the past. Notice 2026-05 clarifies that bronze and catastrophic plans do not have to be purchased through an Exchange to qualify for the new relief.
- **Direct Primary Care Service Arrangements:** Beginning Jan. 1, 2026, an otherwise eligible individual enrolled in certain direct primary care (DPC) service arrangements may contribute to an HSA. In addition, they may use their HSA funds tax-free to pay periodic DPC fees.

More information

Notice 2026-05 addresses each of these changes. Treasury and IRS invite comments on all aspects of this Notice by March 6, 2026. Commentors are encouraged to use the [Federal e-Rulemaking portal](#) to submit comments online (indicate “IRS-2025-0335”). Paper submissions should be sent to: Internal Revenue Service, CC:PA:01:PR (Notice 2026-05), Room 5503, P.O. Box 7604, Ben Franklin Station, Washington, DC 20044.

For more information, please see the [One, Big, Beautiful Bill provisions](#) page on IRS.gov.



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