

Key Healthcare Reforms Enacted as Part of 2026 Federal Spending Law



Healthcare Law Update

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On February 3, 2026, President Donald Trump signed the Consolidated Appropriations Act of 2026, a \$1.2 trillion government funding package that ended a brief government shutdown and enacted two significant healthcare policy reforms. Most notably, the Act extends pandemic-era Medicare telehealth flexibilities for two additional years, pushing the expiration date to December 31, 2027. This extension preserves uninterrupted access to telehealth services for Medicare beneficiaries while Congress continues to evaluate permanent policy options.

The Act also introduces substantial federal oversight of pharmacy benefit managers (PBMs) aimed at enhancing transparency and accountability. Among the Act's key provisions, PBMs must pass through 100% of manufacturer rebates to Medicare plans to help reduce costs for both the program and its beneficiaries, and Medicare Part B compensation to PBMs may no longer be tied to the list price of prescription drugs. In addition, the Act requires PBMs to report detailed data on drug pricing, rebates, and utilization, and allows certain audits of rebate records. The Act also requires PBMs to disclose if they are steering patients to affiliated pharmacies and provide the costs for drugs at those pharmacies.

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