

POLICY

Senate panel sees opening, however slight, for health care deal

Lawmakers agree time is too short for major overhaul - RollCall

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At a hearing on health care affordability Wednesday, senators left the door open for a bipartisan agreement that would extend expiring Affordable Care Act enhanced subsidies before year's end, a day after many of their colleagues had essentially slammed it shut.

The tone at the Senate Health, Education, Labor and Pensions Committee was set by Chairman Bill Cassidy, R-La., who acknowledged that a large overhaul this late would be impossible, even as he wants to end enhanced credits in favor of funding health savings accounts that individuals could use to cover medical expenses like copays.

“Now, we can push for big ideas, grandiose ideas on the right or the left, but we gotta have a solution for three weeks from now,” Cassidy said. “I’m hoping that we can find a bill that can get 60 votes that can fix the problem with these changes for Jan. 1, 2026.”

At issue are the enhanced Affordable Care Act credits that subsidize costs for about one-third of marketplace enrollees. Those credits expire on Dec. 31.

Cassidy said the Senate has three choices: accept no deal is possible and let the credits lapse with no other changes; conduct separate votes on partisan bills that both get rejected; or work together to pass something bipartisan in which both sides make concessions.

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Senate Majority Leader John Thune, R-S.D., has indicated he will tee up a vote on a health bill of Democrats' choosing next week, following up on a deal made with moderates in exchange to reopen the government last month.

HELP ranking member Bernie Sanders, I-Vt., agreed with Cassidy — in part.

“Yes, we need to create a new system, but unfortunately, we aren’t going to do it in two weeks,” said Sanders, who called for extending the subsidies for at least one to three years.

“Your program is not going to guarantee health insurance for all people. We will not accept that, will not accept the doubling of premiums,” Sanders said of Cassidy’s HSA proposal.

Extension ideas

At least some members on both sides seemed willing to find common ground on an ACA credit extension before the coming deadline — in contrast to a more partisan Finance Committee hearing on the same topic last month. The mood was also more optimistic than Tuesday, when several senators doubted any bill next week could pass.

Sen. Lisa Murkowski, R-Alaska, said she wanted to accept Cassidy’s “challenge” to find a bipartisan deal.

“To your point, sir, the status quo is not sustainable. ... If we fail to do something relatively soon here, the consequences are severe to people,” she said to Cassidy.

She called for a short-term extension with “reasonable caps,” as lawmakers move forward with longer-term committee work to reduce health costs.

“There’s no great secret sauce here to how we’re going to deal with this particular dilemma that we’re in,” Murkowski said.

Republican Sens. Jon Husted of Ohio, Susan Collins of Maine and Josh Hawley of Missouri also spoke in favor of a short-term extension to buy time.

“Just because we continue those tax credits does not drive down the cost,” Husted said. “But it is a little help right now that we both can agree on, and then we gotta fix it.”

“There are at least five to 10 really solid pieces of legislation that I know have some bipartisan support that we could tackle to prove that we’re serious about driving down the overall cost, and that’s what I hope we’ll do,” Husted said.

Hawley similarly said the committee needed to take action on the subsidies but that “doing nothing is not a solution,” while Collins said she thinks “there’s a limit to what we can do in this first year. I think we’re going to need a two-year plan.”

Collins asked one of the witnesses, Council for Affordable Health Coverage President Joel White, whether there should be a reasonable, phased-in income cap.

“There needs to be some kind of recognition that we can’t tax low-income people to pay for high-income people’s subsidies,” said White, who added there is no asset test to qualify for subsidies for people who may possess large investments.

Some Democrats have warmed to the idea of tweaking the existing structure of the tax credits.

“In my own view, this means we do have to do a short-term extension, straight up,” said Sen. Maggie Hassan, D-N.H. “There are a couple of reforms on the enhanced subsidies that I think there’s some bipartisan agreement we might be able to get to. But we need to do that right now and then think about what’s next in terms of overall cost reduction.”

Sen. Patty Murray, D-Wash., said she was less optimistic.

“If their call for reforming tax credits is serious, we should look at that. We can talk about those reforms ahead of the 2027 year,” Murray said.

One lawmaker previewed another coming extension bill.

Sen. Lisa Blunt Rochester, D-Del., said she plans to introduce legislation Thursday that would extend the credits for three years while reducing barriers to enrollment and increasing transparency from insurers.

Bipartisan efforts

The hearing did spur some broader debate over what bipartisan health legislation can move forward outside of ACA changes.

Sens. Hassan, Tim Kaine, D-Va., and Roger Marshall, R-Kan., emphasized the need to revive efforts to crack down on pharmacy benefit managers to lower prescription drug costs.

Marshall also received a commitment from Cassidy for a future markup on his price transparency bill with John Hickenlooper, D-Colo.

Hawley spoke about a bill he was introducing Wednesday that would make nearly all health care expenses tax-free. He asked the three witnesses if they would be open to such a proposal. White and Marcie Strouse, the owner and a partner at the Capitol Benefits Group, supported the idea.

The witness invited by Democrats, Claudia M. Fegan, national coordinator for Physicians for a National Health Program, said she would have to look more closely at the details but that “it could work.”

Cassidy, immediately after the hearing, dismissed the idea of the Senate holding a vote only on a Democratic bill next week.

“[T]here will be a Republican plan if I have anything to do with it,” he said.

He also acknowledged that he would be “open” to a plan to give eligible individuals the option to take a subsidy as either a reduction to their premiums or in the form of an HSA to cover other out-of-pocket costs.