

Republicans Push Reconciliation 2.0 Based On RSC Framework, But Seek Bipartisan Effort To Combat Consolidation

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House Republicans are continuing to call for a second reconciliation bill that would make significant health care reforms, such as swapping Affordable Care Act subsidies for health savings-style accounts on the exchanges and codifying President Donald Trump's Trump Rx program, but they signaled interest in working with Democrats to stem consolidation of the health care marketplace.

One idea that gained some bipartisan interest at a House hearing Wednesday (Jan. 21) was establishing a private insurer-based universal coverage system such as "ACA For All or Medicare Advantage For All."

But some Republicans used the House Budget Committee hearing titled, "Reverse the Curse: Skyrocketing Health Care Costs and America's Fiscal Future," to call for a partisan reconciliation bill that would implement elements of the Trump administration's recently released health care plan and the Republican Study Committee's plan for sweeping health care reforms.

Budget Committee Chair Jodey Arrington (R-TX) touted the idea, even though health policy watchers view the chances of a second reconciliation bill passing given the GOP's slim vote margin as slim to zero.

"I hope that with Reconciliation 2.0 being a serious consideration that we wouldn't let this historic moment pass us by without endeavoring to fix what is broken," Arrington said in his opening remarks to the committee.

Witnesses and Republican lawmakers argued in support of expanding health savings accounts (HSAs) on ACA marketplaces and some expressed desire to transition to a model where every marketplace beneficiary is offered an HSA.

Rep. Ben Cline (R-VA) claimed HSAs “empower individuals to shop for health care services” and Foundation for Research on Equal Opportunity Chairman Amik Roy, who testified before the committee, argued H.R. 1’s provision expanding HSAs to direct primary care “turbo-charges innovation in direct primary care.”

Council for Affordable Health Coverage President Joel White told the committee he believes the reconciliation process should again be used to implement health care policies.

“Affordability was not lost by accident,” White said. “It is shaped by policies that this Congress has managed. Congress should use reconciliation; it should build off the RSC framework and the President’s great healthcare plan and restore competition by putting patients ahead of monopoly profits.”

When asked to name his top three issues he’d like to see addressed in a second reconciliation package, White said addressing market consolidation, giving money to consumers rather than companies and creating direct access to discounted prices through TrumpRx.

White also pushed for HSA expansion on the exchanges.

“Over the next decade, taxpayers will send roughly \$18 trillion to insurance companies,” White said. “I think the President was right -- that money should go to people, not insurers, and that starts with HSAs,” White said.

“Every plan offered should have an HSA sidebar, and families should keep the difference between the subsidy and the premium in that HSA,” White added.

Benedic Ippolito, a senior fellow at the American Enterprise Institute who also testified, told the committee that Congress should focus on cutting costs in traditional Medicare and Medicare Advantage.

Arrington said he is excited to vote on Pharmacy Benefit Manager (PBM) transparency reforms this week through the Labor and HHS appropriations bill, but Rep. Lloyd Doggett (D-TX) argued the minibus does nothing to address pharmaceutical manufacturer price gouging. Arrington said the issue is on the list to address in a potential second reconciliation bill.

Despite the partisan debate, members from both sides agreed they should look at how to address market consolidation.

Arrington and ranking Democrat Brendan Boyle (PA) floated the idea of holding a private bipartisan meeting in which committee members could work on finding solutions to the decrease in competition.

Multiple committee members voiced their support, including Rep. Marcy Kaptur (D-OH) and Rep. Pramila Jayapal (D-WA), who said she is planning to reintroduce a bill from last Congress that would combat anti-competitive health care practices.

And Vice Chair Lloyd Smucker (R-PA) said politics should be put aside to deal with the issue of rising health care costs. “We are paying much more, families are paying more and the government is paying more for health care than many other countries ... and yet we’re sicker than many other nations,” Smucker said. “So, something isn’t working, and we should come together rather than blaming one another and try to figure this out.”

Roy argued that issues such as out-of-control costs from insurers and lack of price transparency for beneficiaries could be solved if the United States adopts Switzerland’s health care model.

“Switzerland has universal coverage, but there are no government insurers,” Roy told lawmakers. “Everyone individually buys their own private sector plan and takes it from job to job, independent of their employers. The Swiss system has many similarities to Medicare Advantage and the ACA’s insurance marketplaces, but there are also some useful differences.”

Roy told Rep. Ilhan Omar (D-MN) to think of the framework as “the ACA For All or Medicare Advantage For All.”

Omar responded that she thinks the framework “sounds [like] a really good system that we should be looking into.”

Witnesses also spoke about the consolidation issue.

“Congress now faces a clear choice,” White told the committee Wednesday. “One path is to spend more money propping up a broken system with higher subsidies, bigger payments and more rules. Another path is to fix the laws in the Senate that destroyed

the competition in the first place. I'm firmly in the second camp and believe Congress must start by breaking up the monopolies." -- *Sigi Ris* (sris@iwpnews.com)