

## **U.S. Healthcare Policy Shifts in 2025–2026 — Risks to Consumers and Taxpayers**

### **Overview**

The U.S. healthcare system is undergoing a rapid and far-reaching transformation driven by federal policy changes, agency restructuring, and major funding reductions. While some reforms aim to increase transparency, reduce costs, and emphasize chronic disease prevention, the combined impact is creating **significant risks for consumers, taxpayers, and the overall stability of the healthcare system.**

### **Key Policy Changes include:**

#### **1. Disruption of Public Health Infrastructure**

Recent federal actions have included:

- **Major restructuring of the Department of Health and Human Services (HHS) under Robert Kennedy, Jr., a public figure (neither medical or scientist) with a controversial reputation in the health care sector**
- Leadership changes and staffing reductions across agencies such as the CDC, NIH, and FDA which **have included wholesale dismissal of reputable national medical and scientific professionals** in numerous key governing boards and commissions
- **Shifts in vaccine policy and public health guidance emphasizing a diminished role for public health advisory services before the public**

**Risk:** Reduced coordination, loss of expertise, and inconsistent public health messaging increase the likelihood of **preventable disease outbreaks (i.e. currently measles outbreaks) and weakened emergency response capacity.**

#### **2. Cuts to Research and Innovation**

Billions of dollars in funding have been reduced or redirected, including cuts to:

- National Institutes of Health (NIH) research programs
- mRNA vaccine development and biomedical innovation

**Risk:** Slower medical breakthroughs, reduced global competitiveness, and **long-term increases in healthcare costs due to delayed innovation.**

### **3. Reduced Federal Healthcare Funding**

The enactment of major legislation in 2025 introduced:

- Approximately **\$1 trillion in federal healthcare spending reductions** over the next decade
- Changes to Medicaid and Affordable Care Act (ACA) coverage
- Expiration of enhanced premium subsidies

**Risk to Consumers:** Increased insurance costs, higher out-of-pocket expenses, greater likelihood of being uninsured or underinsured

**Risk to Taxpayers:** Rising uncompensated care costs, financial strain on hospitals and state systems, increased long-term public health expenditures

### **4. Shift to Consumer-Driven Healthcare**

Policies are increasingly shifting responsibility to individuals through:

- Reduced federal oversight
- Expansion of high-deductible plans and alternative coverage models
- Greater reliance on state-level decision-making

**Risk:** A more fragmented system where access to care depends heavily on income, geography, and individual resources, leading to **inequities and inconsistent care quality.**

### **5. Regulatory Rollbacks and Market Volatility**

Changes in federal oversight—particularly at the FDA—are:

- Accelerating approvals for digital health and AI technologies
- Reducing premarket regulatory scrutiny

**Risk:** Faster innovation may come at the cost of **consumer safety, reliability of medical products, and accountability**, placing greater burden on post-market monitoring.

### **System-Wide Impacts**

These combined changes are already contributing to:

- Coverage instability and insurance “churn”
- Increased uncompensated care
- Financial pressure on hospitals and providers
- Rising complexity for patients navigating care options

## **Bottom Line: A System Under Strain**

The U.S. healthcare system is shifting toward a **less centralized, more market-driven model**. While this may create efficiencies in some areas, it also introduces **serious risks**:

- **Consumers** face higher costs, reduced coverage, and greater uncertainty
- **Taxpayers** face rising indirect costs from system inefficiencies and public health challenges
- **Public health stability** is at risk due to weakened infrastructure and reduced trust

## **CONCLUSION AND CALL TO ACTION:**

Healthcare decisions being made today will shape access, affordability, and outcomes for years to come.

### **Consumers and taxpayers should:**

- Stay informed about changes to coverage and benefits
- Monitor state-level policy decisions that affect access to care
- Advocate for and demand policies that protect affordability, transparency, access and public health

**The stakes are high: access to affordable, reliable healthcare is no longer guaranteed, it is increasingly at risk and subject to increased costs and “deregulation.”**

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