



NRLN Legislative Agenda 2026

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Summary

Importance of Protecting Retirees in “Derisking” - Pension Risk Transfers

At increasingly alarming levels, companies continue to eliminate their pension plan responsibilities by purchasing annuities from insurance companies, thereby transferring responsibility for execution of the pension payments to the insurance company and derisking the company’s responsibilities transferring the risk to retirees.

Foremost among the protections that the NRLN advocates is an annuity contract for full reinsurance of the monthly benefit itself. Only a group annuity contract that requires independent, third-party reinsurance by a highly rated insurance company can reliably replace PBGC’s guarantee and protect pension plan participants.

Fund Social Security to Keep America’s Promise to Retirees

The Social Security Old-Age and Survivors Insurance (OASI) Trust Fund will only be able to pay 100% of total scheduled benefits until 4th quarter of 2032, according to the 2026 Trustees report. At that time, reserves will be depleted, and income will only be sufficient to pay 78% of benefits.

Social Security’s funding gap should be closed, but not by cutting benefits or raising the eligibility age for full benefits. The 2026 payroll tax wage cap of \$184,500 should be eliminated. The Social Security Administration’s (SSA) Office of the Chief Actuary calculated that eliminating the taxable maximum would close about 70% of the shortfall and extend the trust fund’s life to about 2060. A modest increase in the payroll tax for employees and employers should only be enacted to prevent a cut in Social Security benefits or to save the program. Any payroll tax increase should be reduced once funding is sufficient for the 75-year projected period.

NRLN Supports CPI-E for COLA Calculation

The Social Security Administration (SSA) announced on October 24, there would be a 2.8% Cost-of-Living Adjustment (COLA) for 2026. The COLA increase beginning in January will add about \$56 to an average monthly benefit of \$2,071. Unfortunately, the standard Medicare Part B premium increased in 2026 by \$17.90 (9.7%) from \$185.00 per month \$202.90.

COLA is based on the Consumer Price Index for Urban Wage Earners and Clerical Workers (CPI-W). The NRLN advocates that the COLA calculation be changed to Consumer Price Index for Elderly (CPI-E) based on older Americans’ spending patterns, including high medical costs. Usually, the CPI-E would provide seniors with a slightly larger COLA.

Reduce the Pain of Overpayment Clawback

The NRLN proposes that the existing Social Security Administration (SSA) overpayments be waived, and the current Social Security Code of Federal Regulations be replaced with statutory language similar to the NRLN’s proposal on pension recoupment that was enacted in the SECURE 2.0 Act of 2022.

Prior to the 2022 law, a company could “recoup” or recover pension overpayments made to a retiree when it discovered them, no matter how long it had been. With the 2022 law, the Company doesn’t have a fiduciary obligation to recoup; but if it does recoup it must be done within three years of initial overpayment and may not recoup more than 10% of overpayment per year. The same rules should apply to Social Security overpayment recovery.

Protect Medicare the Lifeline for Older Americans

According to the 2025 Medicare Trustees' report, the original Medicare Hospital Insurance (HI) Trust Fund will only be able to pay 100% of total scheduled benefits until 2033; after 2033 only 89% can be paid.

Beyond the looming reduction in benefits, the standard Medicare Part B premium that must be paid by original Medicare and Medicare Advantage (MA) enrollees is \$202.90 per month in 2026, an increase of \$17.90 (9.7%) from the 2025 premium of \$185. The Social Security Cost-of-Living Adjustment for 2026 is 2.8%. The \$17.90 takes a big chunk out of the average monthly 2026 COLA increase of \$56. The annual deductible is \$283 in 2026 up from \$257 in 2025. In addition, the annual deductible for original Medicare Part B in 2026 is \$288, a 12% increase from \$257 in 2025. Each Medicare Advantage plan sets its own deductible, and the amount can differ between plans.

Seniors with original Medicare and a Medicare supplement plan (Medigap), that pays the 20% that Medicare does not pay, are experiencing a surge in their Medigap premiums the result of the inflation embedded in America's healthcare system.

Historically, Medigap rates rose about 5% to 7% annually. Over the past two years, however, the increases have accelerated sharply, with many beneficiaries facing jumps of 10%, 15%, or even 20%. This reflects the inflationary dynamics that continue to distort healthcare costs nationwide.

Protect Seniors When Medicare Advantage Terminates Plans

When a Medicare Advantage (MA) plan or an original Medicare supplement (Medigap) plan is ceased or terminated such as a company-sponsored benefit or by a healthcare insurance company, federal law requires plan participants to be informed of their Medicare Guaranteed Issue Right (GIR) and Special Enrollment Period (SEP). A GIR prohibits insurance companies from denying coverage or overcharging an applicant for a Medigap or MA policy, regardless of pre-existing health conditions. A SEP allows one to shop for the best deal possible for a Medigap or MA plan.

On September 22, 2025, CMS adopted an NRLN proposal and issued a letter to insurance companies, corporations and unions who provide healthcare plans that they must provide notice to each of its affected enrollees at least 90 days before the end of the current contract period. As NRLN proposed, along with the notification letter, CMS provided sample letters to be used to inform enrollees to "Keep this letter. It's proof that you have a special right to buy a [type of policy] or join a Medicare plan."

NRLN Continues to Advocate Against MA Cost to Taxpayers

Over the ten-year budget period 2025-2034, Medicare Advantage (MA) plan rebates will add over \$1.5 trillion to the deficit. Examples: \$89 billion 2025, \$111 billion 2027, \$155 billion 2030 and \$240 billion 2034. After 53 years, private MA plan insurers have failed on their promises to be competitive with Medicare Fee-for-Service (FFS). MA rebate-to-bid ratios grew from 10.1% in 2015 to 19.9% in 2025. Trustees projected 24.2% by 2034. Rebate dollars include 15% insurer overhead and profit. The average cost for each of 35.5 million enrollees in MA in 2025 was 120% of the cost of Medicare FFS enrollees. MA plans hold a 51% share of the Medicare market but fail to deliver better quality or service, and insurers have delayed, withheld and denied Medicare payments, and are repeatedly cited for upcoding and risk adjustment payment practices.

The 2006 Medicare Modernization ACT (MMA) authorized subsidy payments of 15% that the HHS Inspector General called Wrong and Improper in 2008 and 2009. A Capitation Payment plan passed by Congress in 1972

and subsidies that were added through 2005, plus the 2006 MMA Wrong and Improper payments of 15%, opened the door for the 2010 Affordable Care Act (ACA) and new rebate legislation, the Medicare Shared Savings Plan (MSSP), Quality Bonus Plan (QBP) and Innovation Team (IT) were added to the ACA. The Trump administration handed MA plans a major gift on April 7, 2025, for calendar year 2026 by approving an average federal payment increase of 5.1%. That is more than double the 2.2% increase proposed by the Biden administration in January 2025. The increase is projected to result in more than \$25 billion in additional taxpayer payments to MA plans in 2026.

Continue to Reduce Cost of Prescription Drugs

Pharmaceutical companies raised prices on 250 prescription drugs in the United States in 2025. That is on top of price increases on more than 500 prescription drugs in 2024 and more than 1,420 in 2023. The median price increase in 2025 was 4.5 percent. Pharmaceutical companies will again increase the price of medicines in 2026. This year (2026) is the first year for Medicare-negotiated prescription drug prices which lower prices for 10 high-cost Part D drugs by around 50%, selected under the Inflation Reduction Act. Medicare has announced the 15 additional drugs it has negotiated price reductions on in 2026 to take effect in 2027.

President Trump said in a prime-time address to the nation on December 17, 2025, that he negotiated with drug companies and foreign countries to reduce the prices on drugs and pharmaceuticals by 400 to 600%. President Trump announced on December 19 that nine major pharmaceutical companies have agreed to join his “Most favored nation” pricing policy, bringing down the price of prescription drugs for Medicare and Medicaid recipients. The deal ensures that drugs will be sold at reduced prices, with many sold at the same price that they’re sold at overseas, which will be purchased through the TrumpRx platform due to launch in January 2026.

Pass Legislation to Help Delphi Salaried Retirees

The federal government picked winners and losers in the General Motors and Delphi auto industry bankruptcies of 2009. The Delphi salaried retirees were singled out to have their pension plan terminated and taken over by the Pension Benefit Guaranty Corporation (PBGC). Actions taken by the Federal Government’s Auto Team, which intervened in the bankruptcies, assured certain union-represented GM and Delphi workers and retirees received their full earned pensions. But 20,000 Delphi salaried retirees lost up to 70% of earned and promised pensions.

The NRLN supports **H.R.1357/S.1950, Susan Muffley Act**. The bill would provide Delphi salaried retirees with a lump sum payment covering the pension benefits they should have received over the past 17 years, with 6% interest added to account for the delay. The legislation would fully restore their pensions going forward, ensuring retirees receive the payments they were originally promised, as if the disruption had not occurred.

Reintroduce and Pass Health Coverage Tax Credit (HCTC)

For several years Congress passed year-to-year legislation to reauthorize the Health Coverage Tax Credit (HCTC) Act. However, Congress failed to do so for 2022 to help Americans ages 55-64 cover the cost of health insurance if they are retired and their pensions have been taken over by the PBGC, or if their job was outsourced abroad and they qualify for Trade Adjustment Assistance.

The NRLN urges reintroduction from the 118th Congress, the **Bob von Schwedler Permanent Health Coverage Tax Credit Expansion Act**. Passage would make HCTC permanent and would increase the benefit from 72% to 80% of health insurance costs for workers and retirees who claim the credit. If HCTC isn’t made

permanent, the NRLN urges reintroduction from the 118th Congress, the **Health Coverage Tax Credit Reauthorization Act of 2023**. Passage which would reauthorize HCTC through 2027.

Importance of Protecting Retirees in “Derisking” - Pension Risk Transfers

One of the core principles of the Employee Retirement Income Security Act (ERISA) is its anti-cutback rule. No pension risk transfer should make a retiree or other participant worse off. Throughout their working lives, retirees believed that the guaranteed monthly pension income they earned came with a number of ERISA protections - most importantly a reinsurance guarantee by the federal Pension Benefit Guaranty Corporation (PBGC).

Situation

An increasingly alarming levels, companies continue to eliminate their pension plan responsibilities by purchasing annuities from insurance companies, thereby transferring responsibility for execution of the pension payments to the insurance company and derisking the company’s responsibilities transferring the risk to retirees. PBGC records show 1,778 terminations affected 2.5 million participants in 2024.

Here are two examples of derisking: In September 2022 IBM transferred \$16 billion in pension assets to Prudential and to Metropolitan Life to pay annuity benefits to 100,000 retirees. In May 2023 AT&T announced an annuitization for 96,0000 retirees for \$7.7 billion with Athene Life & Annuity Company and Athene Annuity & Life Assurance Company. Athene is a Bahamas company that is part of Apollo, a private equity company.

Why Should Pensioners Be Concerned?

- While derisking through annuity purchase is legal, the pensioner has no say in their involvement.
- While the annuity contract maintains the specifics of the pension related to monthly payments, etc. in case of the insurance company insolvency, loss of ERISA/PBGC protection greatly reduces overall protection for the pensioner.
- Protection transfers from ERISA/PBGC to State Guaranty Associations. SGA protection varies by state. On average SGA protection is \$250,000 for lifetime which is significantly lower than what would have been received through ERISA/PBGC protection.

NRLN Proposed Solution

- Require group annuity contracts to include purchase of reinsurance that provides equal value from a third-party independent insurer or through the PBGC.
- Prohibit reduction of benefit amount transferred from plan to annuity provider.
- Require annuity provider to send annual report confirming current rating and financial status.
- Establish a claims and appeals process that conforms to ERISA procedure.
- Ensure that transfer of assets and liabilities does not substantially impair the funded status of the plan after derisking if plan is not 100% annuitized.

Motivation for Companies to Do Derisking

The NRLN believes an issue that has a major effect on why companies are derisking is the amount of PBGC premiums they have to pay. The single-employer plan per-participant in a company’s pension plan is flat rate

premium of \$111 for 2026, up from \$106 in 2025. The NRLN is on record that the PBGC needs to be reformed and its premiums reduced.

Fund Social Security to Keep America's Promise to Retirees

Social Security is not welfare paid for by the U.S. Government. Most of the current 74 million beneficiaries and their former employers have paid into the Social Security Trust for decades. Social Security can't add to the federal debt or borrow money. It can only pay benefits when there is sufficient income.

The Social Security Old-Age and Survivors Insurance (OASI) Trust Fund will only be able to pay 100% of total scheduled benefits until the 4th quarter 2032, according to the 2025 Trustees report. At that time, reserves will be depleted, and income will only be sufficient to pay 78% of benefits.

NRLN's Proposal for Closing Funding Gap

Social Security's funding gap should be closed, but not by cutting benefits or raising the eligibility age for full benefits. The 2026 payroll tax wage cap of \$184,500 should be eliminated. The Social Security Administration's (SSA) Office of the Chief Actuary calculated that eliminating the taxable maximum would close about 70% of the shortfall and extend the trust fund's life to about 2060. A modest increase in the payroll tax for employees and employers should only be enacted to prevent a cut in Social Security benefits or to save the program. Any payroll tax increase should be reduced once funding is sufficient for the 75-year projected period.

NRLN Supports CPI-E for COLA Calculation

The Social Security Administration (SSA) announced on October 24, there would be a 2.8% Cost-of-Living Adjustment (COLA) for 2026. The COLA increase beginning in January will add about \$56 to an average monthly benefit of \$2,071. Unfortunately, the standard Medicare Part B premium increased in 2026 by \$17.90 (9.7%) from \$185.00 per month \$202.90.

COLA is based on the Consumer Price Index for Urban Wage Earners and Clerical Workers (CPI-W). The NRLN advocates that the COLA calculation be changed to Consumer Price Index for Elderly (CPI-E) based on older Americans' spending patterns, including high medical costs. Usually, the CPI-E would provide seniors with a slightly larger COLA.

Reduce the Pain of Overpayment Clawback

The prior Social Security Commissioner Martin O'Malley ended in March 2024 the "clawback cruelty" practice of intercepting 100% of overpaid beneficiaries' monthly Social Security benefit by default if they failed to respond to Social Security's demand for repayment. He took a more reasonable default withholding rate of 10% of monthly benefits. On March 7, 2025, acting Social Security Commissioner Leland Dudek announced that the Social Security Administration (SSA) would resume the 100% withholding to recover overpayments. On April 29, 2025, President Trump intervened and changed the default withholding to 50% of a beneficiary's monthly Social Security check.

Laws enacted by Congress still require that every effort be made to recover overpaid benefits regardless of the number of years ago a mistake was made.

The NRLN proposes that the existing SSA overpayments be waived, and the current Social Security Code of Federal Regulations be replaced with statutory language similar to the NRLN's proposal on pension recoupment that was enacted in the SECURE 2.0 Act of 2022.

Prior to the 2022 law, a company could "recoup" or recover pension overpayments made to a retiree when it discovered them, no matter how long it had been. With the 2022 law, the Company doesn't have a fiduciary obligation to recoup; but if it does recoup it must be done within three years of initial overpayment and may not recoup more than 10% of overpayment per year. The same rules should apply to Social Security overpayment recovery.

Protect Medicare the Lifeline for Older Americans

When President Lyndon B. Johnson signed the Medicare Bill on July 30, 1965, he said, "Every citizen will be able, in his productive years when he is earning, to insure himself against the ravages of illness in his old age." It is up to Congress to keep that promise. The promise is in jeopardy.

According to the 2025 Medicare Trustees' report, the original Medicare Hospital Insurance (HI) Trust Fund will only be able to pay 100% of total scheduled benefits until 2033; after 2033 only 89% can be paid.

Medicare's Premium Cost Increases

Beyond the looming reduction in benefits, the standard Medicare Part B premium that must be paid by original Medicare and Medicare Advantage (MA) enrollees is \$202.90 per month in 2026, an increase of \$17.90 (9.7%) from the 2025 premium of \$185. The Social Security Cost-of-Living Adjustment for 2026 is 2.8%. The \$17.90 takes a big chunk out of the average monthly 2026 COLA increase of \$56. The annual deductible is \$283 in 2026 up from \$257 in 2025.

Medicare Part B IRMAA (high-income enrollees) will pay more for coverage. For example, the highest 2026 premium amount is \$689.90 for those who file jointly and have an adjusted gross income of \$750,000 or more.

In addition, the annual deductible for original Medicare Part B in 2026 is \$288, a 12% increase from \$257 in 2025. Each Medicare Advantage plan sets its own deductible, and the amount can differ between plans.

Roughly 1% of Medicare Part A (covers hospitalization costs) enrollees pay premiums. The rest are entitled to free premiums based on their earnings history. For Part A the cost is \$1736 in 2026 up from \$1676 in 2025, for the first 60 days. Days 61-90 will have coinsurance of \$434 in 2026, up from \$419 in 2025.

Surge in Cost for Medigap Plans

Seniors with original Medicare and a Medicare supplement plan (Medigap), that pays the 20% that Medicare does not pay, are experiencing a surge in their Medigap premiums the result of the inflation embedded in America's healthcare system.

Historically, Medigap rates rose about 5% to 7% annually. Over the past two years, however, the increases have accelerated sharply, with many beneficiaries facing jumps of 10%, 15%, or even 20%. This reflects the inflationary dynamics that continue to distort healthcare costs nationwide.

Original Medicare Prior Authorization

Original Medicare has historically required little in the way of prior authorization for beneficiaries seeking services. Prior authorization has been the domain of MA. The Centers for Medicare and Medicaid Services (CMS) implemented prior authorization requirements for certain original Medicare services in six states on January 1, 2026. The states are New Jersey, Ohio, Oklahoma, Texas, Arizona, and Washington.

The CMS Innovation Center calls the six-year trial the Wasteful and Inappropriate Service Reduction (WiSeR) Model. CMS plans contracts with incentives for companies that use artificial intelligence (AI) to decide whether original Medicare beneficiaries in the six states will receive prior authorization for 17 Medicare services.

After the six-year trial is completed, the NRLN believes it is a good bet that prior authorization will be required for original Medicare beneficiaries in all 50 states. The NRLN advocates that Congress stops the trial that will turn original Medicare into an MA prior authorization program where insurance companies have denied or delayed medical services that have harmed millions of older Americans.

Protect Seniors When Medicare Advantage Terminates Plans

Medicare Advantage (MA), or Part C, is a Congress-authorized alternative to original Medicare offered by private insurance companies. These plans bundle hospital coverage (Part A), medical coverage (Part B), and typically prescription drug coverage (Part D) into a single plan. They can also include extra benefits like dental, vision, and hearing care, transportation to medical appointments, gym memberships, etc. MA has an annual maximum out-of-pocket spending limit for covered services that vary by plan.

The biggest news in MA for 2026 is that profit motives and the desire to keep stock prices up caused UnitedHealthcare to drop MA plans that were serving 1 million users. Humana terminated plans for 450,000 MA members. CVS-Aetna ended 90 MA plans across 34. UCare, a large MA plan provider in Minnesota, eliminated MA plans impacting 158,000 members. About 8% of 34 million U.S. MA enrollees have experienced a plan termination for 2026.

Medicare Guaranteed Issue Right and Special Enrollment Period

When a Medicare Advantage (MA) plan or an original Medicare supplement (Medigap) plan is ceased or terminated such as a company-sponsored benefit or by a healthcare insurance company, federal law requires plan participants to be informed of their Medicare Guaranteed Issue Right (GIR) and Special Enrollment Period (SEP).

A GIR prohibits insurance companies from denying coverage or overcharging an applicant for a Medigap or MA policy, regardless of pre-existing health conditions. A SEP allows one to shop for the best deal possible for a Medigap or MA plan.

While employers, MA and Medigap plan insurance companies may legally terminate their plans, Federal Minimum Standards require that terminated beneficiaries must be sent a GIR and a SEP notice.

The Social Security Act provides Federal Minimum Standards for GIR and SEP in **Sec 1882[42 U.S.C. 1395ss]** (https://www.ssa.gov/OP_Home/ssact/title18/1882.htm). The Federal Minimum Standards are replicated in Sec 12 of the National Association of Insurance Commissioners (NAIC) **Model 650 regulations** (<https://content.naic.org/sites/default/files/model-law-state-page-651.pdf>).

CMS Takes Action on NRLN Proposal

Since August 2022 the NRLN advocated with the CMS and members of Congress that the federal statutes for Guaranteed Issue Rights (GIR) and Special Enrollment Period (SEP) must be enforced when a Medicare Advantage (MA), Medicare supplement (Medigap) and/or Part D prescription drug plan will not be renewed or reduced for the next year.

In March 2025 Bill Kadereit, NRLN President, Alyson Parker, NRLN Executive Director, and Jay Kuhnle, NRLN Vice President Legislative Affairs, met with CMS officials at its headquarters in Baltimore, MD and presented the NRLN's GIR and SEP position paper on the urgent need to enforce Sec 1882 [42 U.S.C. 1395ss]. In August a new case summary was sent to the acting Director for CMS Operations, noting new plan terminations would affect more than a million retirees on January 1, 2026.

On September 22, 2025, CMS issued a letter to insurance companies, corporations and unions who provide healthcare plans that they must provide notice to each of its affected enrollees at least 90 days before the end of the current contract period. As NRLN proposed, along with the notification letter, CMS provided sample letters to be used to inform enrollees to "Keep this letter. It's proof that you have a special right to buy a [type of policy] or join a Medicare plan."

CMS's enforcement action is a great victory for seniors whose Medicare plans were not renewed for 2026. The NRLN conducted a survey in December 2025 – January 2026 which provided data on whether GIR/SEP notices were received when a MA or Medigap plan was terminated. The NRLN will continue to check of the enforcement during the October 15 – December 7 Medicare Open Enrollment period.

NRLN Continues to Advocate Against MA Cost to Taxpayers

The data forecast in the June 2025 Medicare Trustees Report and March 2025 MedPAC report told Congress that:

- Over the ten-year budget period 2025-2034, Medicare Advantage (MA) plan rebates will add over \$1.5 trillion to the deficit. Examples: \$89 billion 2025, \$111 billion 2027, \$155 billion 2030 and \$240 billion 2034.
- After 53 years, private MA plan insurers have failed on their promises to be competitive with Medicare Fee-for-Service (FFS). MA rebate-to-bid ratios grew from 10.1% in 2015 to 19.9% in 2025. Trustees projected 24.2% by 2034. Rebate dollars include 15% insurer overhead and profit.
- The average cost for each of 35.5 million enrollees in MA in 2025 was 120% of the cost of Medicare FFS enrollees. MA plans hold a 51% share of the Medicare market but fail to deliver better quality or service, and insurers have delayed, withheld and denied Medicare payments, and are repeatedly cited for upcoding and risk adjustment payment practices.
- The 2006 Medicare Modernization ACT (MMA) authorized subsidy payments of 15% that the HHS Inspector General called Wrong and Improper in 2008 and 2009.
- A Capitation Payment plan passed by Congress in 1972 and subsidies that were added through 2005, plus the 2006 MMA Wrong and Improper payments of 15%, opened the door for the 2010 Affordable Care Act (ACA) and new rebate legislation, the Medicare Shared Savings Plan (MSSP), Quality Bonus Plan (QBP) and Innovation Team (IT) were added to the ACA.

- The Trump administration handed MA plans a major gift on April 7, 2025 for calendar year 2026 by approving an average federal payment increase of 5.1%. That is more than double the 2.2% increase proposed by the Biden administration in January 2025. The increase is projected to result in more than \$25 billion in additional taxpayer payments to MA plans in 2026.

MA Chronic Disease Rebates

- The 2018 Balanced Budget Act added 19 new Chronic disease benefits for those age 65 and older, purportedly to improve care and control Medicare costs. CMS records show that 85% of total Medicare payments made are paid to 25% of those in original Medicare who are the older and more chronically ill.
- However, Congress had no intention of funding chronic benefits for those in Medicare who were well beyond 65 years old and in need of such benefits. Instead, Congress wrote the Act to mandate that only MA plan enrollees would be eligible for these paid benefits. This was a colossal mistake!!!
- Before 2018, rebates had been paid to MA plans to subsidize Medicare D drug plan premiums, deductible, and copay costs. Rebates could also be used to pay for portions of enrollee cost for eyecare, hearing, and dental.
- MA insurance companies selectively included the 2018 chronic rebates in MA plans and marketed them to eligible enrollers through television commercials and advertisements.

Ballooning Enrollment and Rebates

- From 2017-2025 MA plan enrollment grew from 19.8 to 35.5 million, up 79%. Total Medicare enrollment grew from 58.78 to 69.5 million, up just 18%. MA plan enrollee market share grew from 33.7% to 51.0%.
- MA total rebate payments ballooned from \$21 billion in 2017 to \$89 billion in 2025, up 424%. Rebates drove MA market share and profit. Congress pays 74% of Medicare B and D rebate payments from general revenue.
- The 2025 MedPAC report shows that MA plans received chronic rebate payments \$40 billion higher than Medicare would have paid for younger enrollee benefits after adjusting out higher costs built into rebates for older retiree risks. MA plans benefit from this “Selection Bias.”
- Congress approved Chronic benefits for the 2025 younger class of 36 million in MA plans but denied the same benefits to 27 million FFS enrollees.

What MA Has Done

- Chronic disease rebates paid to MA insurance companies since 2018 have inflated insurer financial performance to very high levels.
- Aging of 36 million MA enrollees each year and higher cost of healthcare per enrollee due to annual inflation threaten future insurer net income and shareholder value. Without more rebates, insurers are likely to increase MA enrollee deductible, copay, and premium costs to avoid financial losses.

- MA insurers' broken promises to compete with Medicare FFS are evident. At 51% market share and 20% higher cost per enrollee than FFS, Congress would have to ask taxpayers to pay even higher rebates to protect insurers.

Continue to Reduce Cost of Prescription Drugs

Pharmaceutical companies raised prices on 250 prescription drugs in the United States in 2025. That is on top of price increases on more than 500 prescription drugs in 2024 and more than 1,420 in 2023. The median price increase in 2025 was 4.5 percent. Pharmaceutical companies will again increase the price of medicines in 2026.

Participants in original Medicare usually select a Medicare Part D prescription drugs plan. (Many Medicare Advantage plans often include a prescription drugs plan.) Many Part D participants are spending more on their plan in 2026. That is because there are fewer plans available.

A review by KFF (a healthcare research nonprofit) of the data shows that the total number of stand-alone drug plans available in 2026 is down for the third year in a row, as plan sponsors scale back their PDP offerings. There are 360 plans nationwide in 2026, down from 464 in 2025.

The Inflation Reduction Act increased cost and risk for the drug plans by introducing a \$2,000 out-of-pocket cap for 2025 (\$2,100 cap in 2026). The law also shifted more responsibility for high drug costs onto drug plans. The result is that insurers' profitability dropped and a whole bunch of plans left the market.

This year (2026) is the first year for Medicare-negotiated prescription drug prices which lower prices for 10 high-cost Part D drugs by around 50%, selected under the Inflation Reduction Act. Medicare has announced the 15 additional drugs it has negotiated price reductions on in 2026 to take effect in 2027.

On May 12, 2025, President Trump issued an executive order titled "Delivering Most-Favored-Nation Prescription Drug Pricing to American Patients." In addition, President Trump said in a prime-time address to the nation on December 17, 2025, that he negotiated with drug companies and foreign countries to reduce the prices on drugs and pharmaceuticals by 400 to 600%. President Trump announced on December 19 that nine major pharmaceutical companies have agreed to join his "Most favored nation" pricing policy, bringing down the price of prescription drugs for Medicare and Medicaid recipients. The deal ensures that drugs will be sold at reduced prices, with many sold at the same price that they're sold at overseas, which will be purchased through the TrumpRx platform due to launch in January 2026.

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The NRLN supports **H.R.1357/S.1950, Susan Muffley Act**. The bill would provide Delphi salaried retirees with a lump sum payment covering the pension benefits they should have received over the past 17 years, with

6% interest added to account for the delay. The legislation would fully restore their pensions going forward, ensuring retirees receive the payments they were originally promised, as if the disruption had not occurred.

The restoration of the Delphi salaried retirees' pensions is not a bailout! It corrects wrongful government action in 2009! Passage of either bill would not set a precedent.

Reintroduce and Pass Health Coverage Tax Credit (HCTC)

For several years Congress passed year-to-year legislation to reauthorize the Health Coverage Tax Credit (HCTC) Act. However, Congress failed to do so for 2022 to help Americans ages 55-64 cover the cost of health insurance if they are retired and their pensions have been taken over by the PBGC, or if their job was outsourced abroad and they qualify for Trade Adjustment Assistance.

The NRLN urges reintroduction from the 118th Congress, the **Bob von Schwedler Permanent Health Coverage Tax Credit Expansion Act**. Passage would make HCTC permanent and would increase the benefit from 72% to 80% of health insurance costs for workers and retirees who claim the credit.

If HCTC isn't made permanent, the NRLN urges reintroduction from the 118th Congress, the **Health Coverage Tax Credit Reauthorization Act of 2023**. Passage which would reauthorize HCTC through 2027.

Members of the NRLN's Avaya Retirees Chapter, Delphi Retirees Chapters and other Americans need HCTC.