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INSIGHTS

Senate Finance Committee Hearing on the Rising Cost of Health Care

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On November 19, 2025, the Senate Finance Committee [held](#) a hearing on the rising costs of health care. Overall, there was agreement that any reforms need bipartisan support. However, the hearing also featured a clear partisan divide: Democrats advocating for the extension of advance premium tax credits (APTCs), and Republicans suggesting that assistance for consumers should come through health savings accounts (HSAs) and flexible spending accounts (FSAs).

OPENING STATEMENTS

- [Chairman Mike Crapo \(R-ID\)](#)

WITNESS TESTIMONY

- Dr. Douglas Holtz-Eakin, PhD, President, American Action Forum – [Testimony](#)
- Mr. Jason Levitis, Senior Fellow, Health Policy Division, Urban Institute – [Testimony](#)
- Dr. Brian Blase, PhD, President, Paragon Health Institute – [Testimony](#)
- Mr. Bartley Armitage, Citizen – [Testimony](#)

MEMBER DISCUSSION

Extension of Advance Premium Tax Credits (APTC)

All Democrats in attendance, as well as Sen. Thom Tillis (R-NC), expressed support for at least a 1-year extension of the APTCs. These senators argued this would allow time for a larger reform process that could explore some of the other options floated in the hearing. Mr. Levitis supported this approach, stating more than once that the current IT infrastructure would not allow time for policy changes other than APTC extension to reach consumers.

Most Republicans in attendance, Chair Crapo (R-ID), Sens. John Cornyn (R-TX), Bill Cassidy (R-LA), Steve Daines (R-MT), Ron Johnson (R-WI), John Barrasso (R-WY), and Roger Marshall (R-KS), opposed the extension. These senators argued that such a measure would only place more money in the pockets of health insurance companies, allow fraud to continue, and perpetuate mistakes created in the Affordable Care Act.

HSAFs/FSAs

Republicans, including Chairman Crapo, Sen. Cassidy, and Sen. Marshall, advocated for expanding access to HSAs and providing appropriate funds to fund them. Dr. Holtz-Eakin was supportive of this option but did concede that HSAs would not reach everyone and would not be able to be implemented on a large scale for 2026. Mr. Blase suggested that the money to fund HSAs could come from Cost Sharing Reduction (CSR) funding and would allow consumers greater control, instead of money going directly to health insurance companies. Mr. Blase further stated that he expected a 12% decrease in premium costs if this option were to be implemented.

Sen. Tina Smith (D-MN) asked Mr. Armitage if a check or HSA funding would help relieve the cost burden that he and his family are facing, to which Mr. Armitage replied that it would only help for “a couple of months,” and then he would be back in the same position he was before. When Mr. Levitis was asked his opinion on an HSA option, he was skeptical due to the lack of HSA access for people without insurance and stated that FSAs have been shown to increase health care spending. Sen. Raphael Warnock (D-GA) expressed a similar point, saying that HSAs are not helpful to those who cannot afford to enroll in ACA plans, and the money cannot be used to pay for premiums.

Government Regulation

There were competing opinions about the extent to which the federal government should regulate the health insurance market. On one end of the spectrum, Sen. Bernie Sanders (I-VT) proposed a universal health care, “Medicare for All” model, with a single, government payer system, which Sen. Peter Welch (D-VT) agreed with. On the other side, Mr. Blase and Dr. Holtz-Eakin both suggested deregulation of health insurance to increase competition and choice in the private insurance sector. Sens. Cornyn, Johnson, and Barrasso agreed with this approach, saying they wanted to provide more health care shopping options for consumers, which, they argue, would force insurance plans to compete, therefore raising quality and lowering cost.

Other Suggestions

Some other reform suggestions mentioned came from both parties. Sen. Sheldon Whitehouse (D-RI) suggested shifting more to value-based care payments and ending prior authorization practices, which Mr. Levitas agreed with. Sen. Maria Cantwell (D-WA) suggested expanding Basic Health Program options to those within 250% or 300% of the federal poverty line, depending on the state. Sen. Barrasso mentioned reopening other pooling measures, such as the Farm Bureau plans for rural populations, and Sen. Tillis expressed support for catastrophic health plan options.

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