CHAMBER HILL

INSIGHTS

House Judiciary Antitrust Subcommittee Hearing on Health Care Markets

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On September 14, 2026, the House Judiciary Subcommittee on the Administrative State, Regulatory Reform, and Antitrust held a field hearing to examine fraud and competition within the health care system. The hearing focused on combating alleged fraud in public health programs, addressing concerns about hospital consolidation, and dealing with health care workforce shortages. Only Republican members attended, so the hearing focused on the failures of Democratic initiatives such as the Affordable Care Act (ACA) and Medicaid expansion.

OPENING STATEMENTS

- Subcommittee Chair Scott Fitzgerald (R-WI-5)

WITNESS TESTIMONY

- Dr. Brian Miller, Associate Professor of Medicine, Johns Hopkins University; Vice Chairman, North Carolina State Health Plan - Testimony
- Dr. Brian Blase, PhD, President, Paragon Health Institute - Testimony
- Katherine Martin, Vice President of Health Affairs, University of North Carolina System - Testimony

MEMBER DISCUSSION

Health Care Fraud

Republicans who attended the hearing focused much of their discussion on concerns about alleged fraud in public health care programs. Representative Harriet Hageman (R-WY-At Large) highlighted recent Department of Justice enforcement actions against alleged health care fraud in states like California and Minnesota. Rep. Hageman asked the witnesses about the scope of fraud in the health care system. Dr. Blase responded that it is significant, and that states are incentivized to overlook fraud in public programs because they must return recovered funds to the federal government. When asked how Congress could shift toward more preventive anti-fraud measures, Dr. Blase recommended establishing a minimum premium payment for ACA plans and auditing federal Medicaid payments to states.

Other members raised questions and concerns about alleged fraudulent ACA enrollment and the witness's views on policies related to expanded federal reimbursement tied to Medicaid expansion. For example, Subcommittee Chair Scott Fitzgerald (R-WI-5) asked Dr. Miller about his view on reported fraud within the

ACA market. Dr. Miller said stronger eligibility verification and routine oversight of providers and brokers are needed to combat fraud in both ACA and Medicaid markets. Members such as Representative Russell Fry (R-SC-7) criticized the higher federal matching rate paid for the Medicaid expansion population as being unfair to the traditional Medicaid population. Dr. Blase agreed and said Congress should eliminate that higher rate. In response to a question from Rep. Hageman about recommendations that could be made through the congressional reconciliation process, Dr. Blase said Congress could reduce the higher reimbursement rate for the expansion population and make changes to the ACA marketplace to combat fraud.

Hospital Consolidation

Members and witnesses broadly agreed that whatever benefits consolidation may offer are generally outweighed in the health care sector by negative impacts on affordability, quality, and access. Members such as Representative Bob Onder (R-MO-3) focused their concerns on hospital mergers. Rep. Onder identified several policies he believes drive consolidation, including the expansion of the 340B drug program, hospitals being reimbursed more than other providers for the same services, hospitals being reimbursed at a higher rate than physicians, restrictions on physician-owned hospitals, certificate of need laws, the nonprofit exemption under the Stark law, and the ACA medical loss ratio. Other members also expressed opposition to certificate of need laws, restrictions on physician-owned hospitals, and the ACA medical loss ratio. Representative Chuck Edwards (R-NC-11) asked what tools exist to hold hospital systems accountable, short of removing them from Medicare. Dr. Miller agreed that the Centers for Medicare and Medicaid Services should have more enforcement tools but emphasized that the priority should be allowing more competition.

Health Care Workforce Shortages

Rep. Mark Harris (R-NC) raised concerns about nursing shortages, saying that North Carolina currently faces one of the largest nursing shortages in the country. He also highlighted the state's $40 million allocation to address this shortage. Rep. Fitzgerald asked the witnesses what challenges providers face in filling residency slots, and Ms. Martin explained that graduate medical education slots increasingly flow to large, consolidated hospital systems rather than to smaller and rural providers. Rep. Edwards added that physician distribution must be addressed so that rural districts are not left behind as systems consolidate.

Other Topics

- Rep. Hageman brought up the Rural Health Transformation Program (RHTP) and asked whether the witnesses advise states on it. Dr. Blase confirmed that Paragon Health Institute has a state reform initiative and that Paragon would be happy to advise states on the RHTP.

- Members, such as Rep. Tim Moore (R-NC-14), raised concerns about pharmacy benefit manager concentration and its effect on prescription drug prices. Dr. Blase expressed support for increased transparency, arguing that the PBM sector has limited transparency.

We trust you found this summary useful. Please reach out to us with any questions.