

A Decisionmaker's Guide to Competing Health Evidence

Indirect Cost Reform: The 15 Percent Cap, the FAIR Model, and What Comes After the Courts

The courts have permanently blocked the administration's caps on research overhead, but the fight over how the government pays for research infrastructure has simply moved to Congress, OMB, and next year's budget. Underneath it are three distinct problems, cost, efficiency, and transparency, that the competing proposals solve very differently. Here is what the evidence supports, where it is thinner, and what to watch.

AT A GLANCE

The Proposal

A now-blocked flat 15 percent cap at NIH, NSF, DOE, and DOD. An executive order and proposed OMB rule favoring lower-rate applicants. A recurring House provision capping indirect costs only at universities subject to the endowment tax. The research community's FAIR model, which itemizes most costs instead of applying a negotiated percentage. And an FY27 budget that proposes the 15 percent cap again, along with repeal of the language blocking it.

Driven By

The administration and OMB, citing waste and opacity. Congressional appropriators, who have blocked rate changes while signaling appetite for reform. The Joint Associations Group (JAG), ten national research and higher education organizations. And science-reform advocates pressing for transparency and deregulation rather than caps.

The Trigger

The February 2025 NIH cap and its copycats, a year of litigation ending in permanent injunctions, funding-law language freezing rate policy through this fiscal year, and a May 2026 OMB proposed rule that moves the fight from rates to award preferences.

Key Figures or Organizations

NIH, OMB, and the White House. The federal courts. AAU, AAMC, APLU, ACE, COGR, and the rest of the JAG, with former Trump White House science adviser Kelvin Droegemeier leading the FAIR effort. Heritage and Manhattan Institute analysts on one side of the reform debate; the Good Science Project and allied researchers on another. CRS and GAO as the closest things to neutral scorekeepers.

Who's Saying What

This map describes public positions of major stakeholders. It does not endorse or evaluate them.

The administration says rates are inflated, opaque, and far above what foundations pay. Institutions say the payments cover a portion of real, audited costs, and that abrupt caps would have cut many universities' NIH funding by 15 to 20 percent. Science-reform advocates say regulation drives the costs: cut it, require transparency, keep paying actual costs. A growing middle sees the choice as reform designed by the community versus reform imposed on it.

1. What's the Dispute?

Start with what is at stake. Through NIH alone, the federal government pays about \$9.5 billion a year toward research costs that are shared across many projects within an institution: the buildings, data systems, safety oversight, and support staff behind every clinical trial and every study. How that money flows determines whether institutions can afford to do research at all, what portion of the costs of science is paid through visible public channels versus squeezed out of tuition and hospital margins, and ultimately how much research gets done, which is the evidence base every later health policy decision draws on. That is why a fight over an accounting rule spent a year in federal court and now has competing reform plans in Congress. It is about money. It is also about how much of the cost of science the public pays on purpose, and whether anyone can see how it is paid for.

When the federal government funds a research project, it also pays the institution an overhead amount, called indirect costs, to cover shared expenses no single project can claim: buildings, utilities, data systems, safety and compliance staff. Each institution negotiates its own rate with the government based on audited costs. On February 7, 2025, the National Institutes of Health issued [a three-page notice](#) replacing all of those negotiated rates with a flat 15 percent, effective the next business day. By NIH's own estimate, that would have withheld about \$4 billion per year from universities, medical centers, hospitals, and research institutes. Lawsuits from 22 state attorneys general and the research community followed within one business day. The Departments of Energy and Defense and the National Science Foundation announced similar caps. Courts blocked all of them.

The legal fight is over. In January 2026, [a unanimous federal appeals court held](#) that the cap violated both a provision Congress attaches to NIH's annual funding and the government's own rules. The administration [let the deadline to appeal to the Supreme Court pass](#), and it [dropped its appeals](#) in the other agencies' cases.

The policy fight is not. [An August 2025 executive order](#) tells agencies to favor applicants with lower overhead rates and tells OMB to limit what grants can spend on facilities and administration. In May 2026, OMB proposed [a sweeping rewrite of the government-wide grant rules](#). It leaves the rate system alone, because this year's funding law forbids changes, but it proposes to build the lower-rate preference into how grants get awarded. The public comment period closed July 13, 2026, and a final rule is expected in the fall. And [the president's FY27 budget again proposes the 15 percent cap](#), plus repeal of the funding-law language that has blocked it.

The research community, meanwhile, is offering its own alternative rather than simply defending the status quo. Ten national associations [released the Financial Accountability in Research \(FAIR\) model](#) in July 2025 as a proposed alternative to the current system, aimed at next year's funding bills. The live question is which change happens, and on whose evidence, though in a Congress this stuck, no change at all remains a real outcome. This guide organizes that choice around the three problems every proposal claims to solve: what research actually costs, whether the system that pays for it encourages efficiency, and whether anyone can see where the money goes.

2. Why Do Smart People Disagree?

At first glance this looks like a fight about whether research infrastructure costs are real. It mostly isn't. Almost nobody denies that laboratories need electricity, safety staff, and secure data systems. People in this fight are talking past each other because they are solving three different problems.

The cost problem. What does research actually cost, and who pays when reimbursement falls short? NIH pointed out that many private foundations pay overhead at 15 percent or less, and asked why the government should pay rates above 50 percent. Research associations responded that [the comparison is misleading](#): foundations count many expenses as project costs that federal rules push into overhead, and foundations fund a small slice of basic research (8.4 percent, against a federal share of 39.6 percent) while relying on infrastructure the federal government and research institutions built. One side is asking what a funder can get away with paying when someone else maintains the building. The other is asking what it costs to maintain the building. Those are different questions.

The cost conversation also suffers from a confusion of terms. A "56 percent rate" does not mean 56 cents of every grant dollar goes to overhead, for two reasons. First, the rate is applied on top of direct costs, the money for the research itself, so a 56 percent rate adds 56 cents of overhead to each direct-cost dollar, which works out to about a third of the combined total. Second, the rate is applied to only some direct costs; categories such as

equipment, patient care, and most of each subaward are excluded from the calculation. Stack the two together and the actual share is much lower than the headline rate: **overhead came to 28 percent of the \$34 billion NIH award-ed in FY2025**, about \$9.5 billion. People quoting the high rates and people quoting the lower shares often believe they are contradicting each other. They are describing the same system with different denominators.

The efficiency problem. Does the system discipline costs, or reward institutions for accumulating them? The negotiated-rate system does not reimburse each institution for what it actually spends on overhead. Rates are set in advance from audited cost data and fixed for several years, so within a rate period an institution that economizes keeps the difference. The incentive concern is subtler and operates over time: because each new rate is negotiated from updated cost data, sustained economizing lowers the base and therefore the next rate, so the system eventually recaptures the savings. Critics argue this dulls the reward for efficiency; institutions respond that the rate simply tracks what research infrastructure actually costs. A second efficiency cost is the system's own administrative burden, on institutions and the government alike, in negotiating, documenting, and auditing the rates. The caps, the award preference, and the market-based proposals are all, in very different ways, answers to this problem.

The transparency problem. Underneath both sits an older question about trust. After **a 1991 scandal at Stanford**, where investigators found overhead charges that included depreciation on a yacht, the government **capped the administrative slice of university rates** and layered on rule after rule. Critics read that history as proof the system invites abuse. Institutions read it as proof the system is already tightly policed, and note that complying with all those rules is itself a major driver of the administrative spending critics complain about. Both readings fit the record.

And hovering over all three is the question almost nobody in the fight is asking directly: how should the federal government best support world-class research? Caps, preferences, itemization, and deregulation are all answers to the narrower problems. None of them starts from the mission. Decisionmakers who keep the bigger question in view will find it easier to tell reform from cost-shifting.

THE QUESTIONS BEHIND THE DEBATE



The question being asked



What It Measures



Who Tends to Ask It

The Cost Question: What does federally funded research actually cost, and who pays when reimbursement falls short?

Negotiated rate agreements, institutions' cost studies, and how much institutions spend from their own funds to support research. Captures the real bill, though it takes institutions' accounting largely at face value.

Research institutions, their national associations, and university research and finance officers.

The Efficiency Question: Does the system discipline costs, or reward institutions for accumulating them?

Rate variation across institutions, growth in administrative spending, and comparisons to foundations, industry, and other countries. Captures incentive problems, though the comparisons often mix apples and oranges.

Fiscal conservatives, some economists, OMB, think tanks, and science-reform advocates.

The Transparency Question: Can anyone clearly explain where the money goes?

What sits inside the overhead pools, how rates translate into actual dollars, and whether the public accounting matches the public explanation. Captures a problem both sides now concede: the system is hard for anyone outside it to follow.

Members of Congress in both parties, GAO, journalists, and increasingly the research community itself.

These three problems are not equal in what the evidence can settle. What research infrastructure costs is largely measured; the dollar figures are audited and not seriously disputed. Whether the money goes where the accounting says is the transparency problem both sides now concede. The genuine dispute is the efficiency question, whether the government pays more than efficient infrastructure would require, and it is the one question with essentially no direct evidence, because the opacity everyone concedes is also what makes the efficiency gap impossible to measure. That is the central fact to carry into the sections that follow. The cap and the preference are, at bottom, answers to the efficiency question; FAIR answers the transparency question in the hope of making the efficiency one answerable. The debate therefore turns on exactly the question where the evidence is thinnest, and that thinness cuts in every direction: no one can show the government systematically overpays, no one can show it does not, and no one can show that any proposed replacement would close a gap whose size nobody has measured.

3. What Does the Evidence Show?

A note before the numbers. Earlier editions weighed competing bodies of evidence on a central empirical question. Here, for several of the most important questions, there is no evidence to weigh, because none of the proposed solutions has ever been implemented. But the deepest gap is not the untested remedies. It is the undiagnosed problem: how much the government overpays has never been measured. Where the record is real, we say what it shows. Where a claim is a projection, we say so.

The Cost Problem: What Indirect Costs Pay For, and Who Would Have Lost

The basic facts are solid. **Indirect costs cover expenses no single project can claim:** facilities, utilities, libraries, IT and data security, protections for research participants, and compliance with a rulebook that added, **by one count, 110 new requirements** between 1991 and 2018. Rates are set from audited cost data and hold for two to four years. Some agencies already have caps written into law, such as **USDA's 30 percent cap**.

This is not only a university story. The same 15 percent that spelled crisis on campuses was good news elsewhere: the government's 2024 grant rules **raised the default overhead rate** that organizations without negotiated rates, mostly smaller nonprofits, can charge to 15 percent, and required funders passing through federal dollars to honor negotiated rates. Hospitals and independent research institutes negotiate rates too, and several were plaintiffs in the litigation, but they rarely appear in the public modeling. And because the rules at stake govern every federal funder, grantees of AHRQ, CDC, and other agencies, including health services research organizations, will live with whatever NIH's fight produces.

Who would have lost, and how much, is also fairly clear. **A 2025 analysis of 354 NIH-funded institutions** found the cap would have cut most universities' annual NIH funding by 15 to 20 percent. **A STAT review of institutional filings** found top universities and medical centers stood to lose \$100 million or more per year, with Stanford estimating \$160 million. In more than eighty court declarations, institutions described halted clinical trials, closed facilities, and layoffs. Self-serving or not, no serious analysis disputes that the immediate losses would have been large and concentrated at research-heavy institutions and academic medical centers.

The strongest case for the cap was never only about waste. **CRS notes the savings could have funded additional research**, and some working scientists supported lower rates in the belief that money would move from administration to laboratories, and to a wider set of institutions. But the promise was never firm: **the district court noted** that NIH's claim in court that savings would go to research contradicted the agency's own public statements. The argument also assumes institutions could absorb the unreimbursed costs and keep hosting the work; more grants help little if fewer places can afford to run them. The best version of the pro-cap argument, more science per dollar, was available, but NIH never formally committed to it.

What institutions would actually have done in response. None of the 2025 caps took effect, so there is no direct test of the kind Oregon's state employee price cap gave the hospital pricing debate, the subject of an earlier edition in this series. The closest lived experiment is USDA, which has **run under a cap written into statute since 1977**, now 30 percent of each award. Agriculture schools report **an \$11.5 billion deferred maintenance backlog**, with roughly 70 percent of buildings past their useful life, but the reports draw no causal line to the cap, and **deferred maintenance is endemic across university facilities generally**, so even the one lived experiment resists a clean reading. Predictions of closed labs and predictions of endowments quietly absorbing the cuts remain projections, not observations.



What we know:

- Indirect costs are real, audited, and large: about \$9.5 billion of NIH's \$34 billion in FY2025 awards. A flat 15 percent cap would have cut most research universities' NIH funding by 15 to 20 percent. Courts found the way the caps were imposed unlawful at every stage.



What we don't know:

- What institutions would actually have done in response. None of the 2025 caps took effect, so there is no direct test of the kind Oregon's state employee price cap gave the hospital pricing debate, the subject of an earlier edition in this series. The closest lived experiment is USDA, which has **run under a cap written into statute since 1977**, now 30 percent of each award. Agriculture schools report **an \$11.5 billion deferred maintenance backlog**, with roughly 70 percent of buildings past their useful life, but the reports draw no causal line to the cap, and **deferred maintenance is endemic across university facilities generally**, so even the one lived experiment resists a clean reading. Predictions of closed labs and predictions of endowments quietly absorbing the cuts remain projections, not observations.

The Transparency Problem: A Weakness Both Sides Concede

The strongest critique is about transparency, and nearly everyone now concedes it. Rates are set in negotiations so technical that they are effectively invisible to Congress and the public. **CRS notes longstanding concerns** that the process lacks transparency and may dull institutions' attention to cost. The head of COGR, one of the associations defending institutions' interests, said publicly in 2025 that **"the status quo is no longer an option."** When the institutions the system pays say that, the transparency point has effectively been conceded.

That concession changes what transparency is doing in this debate. What is conceded is not that the numbers are wrong; the community maintains the rate-setting is documented and audited. What is conceded is that a system this hard to explain cannot hold public confidence. And its significance is now instrumental: the same opacity everyone concedes is also what makes the next question, the efficiency question, impossible to settle with evidence.

The Efficiency Problem: The Live Dispute and the Missing Measurement

The efficiency critiques are more contested than the transparency ones. **Heritage Foundation analysts argue** that overhead recovery works as a blank-check subsidy, and propose tying an institution's federal rate to the lowest rate it accepts from private funders. **The Manhattan Institute goes further**, suggesting the government stop paying overhead through grants at all. These proposals aim squarely at the efficiency problem, and the incentive critique is real. But the evidence layered on top is weaker. The most quoted Heritage finding, that institutions receiving more overhead employ more DEI staff, shows the two rise together, not that one causes the other. And the claim that overhead is "profit" is hard to square with institutions reporting they recover less than their audited costs, though note the distinction: the audits cover the costs institutions propose, while the size of the unrecovered gap rests on the institutions' own studies.

The comparison evidence, for what it is worth, does not obviously favor the critics. **A 2000 RAND analysis**, commissioned through the White House science office at Congress's direction, found universities' indirect share of research costs (about 31 percent) below federal laboratories (33 percent) and industrial labs (36 percent). **A January 2026 Attain Partners study** reached the same ordering, finding universities recover a lower share of indirect costs than federal labs or industry contractors, and reporting \$6.8 billion in unrecovered indirect costs in FY2023. Read the second with its provenance in view: AAU and COGR commissioned it, and Attain itself cautions that the sectors' accounting rules differ too much for clean comparison. Still, the claim that universities are the outlier sector has no comparable evidence behind it.



What we know:

FAIR is detailed, has broad backing including [293 supporting organizations](#), and answers the transparency critique directly. Congress is open to a community-designed alternative; [the FY26 defense bill went further](#), barring DOD from changing its rates until it develops an alternative model with the research community. The preference mechanism is the administration's live vehicle; the comment period closed July 13, and the rule is slated to take effect October 1, 2026.



What we don't know:

How FAIR would redistribute a fixed budget. Totals are set by appropriations, so the real question is how much of each agency's budget would go to research support versus new awards, and no public estimate exists. Whether itemizing reduces opacity or just relocates it into thousands of line items. And how a preference for low rates squares with the legal requirement that agencies honor negotiated rates: an institution's rate would be guaranteed by regulation and held against it in competition at the same time.

A third camp rejects both the caps and the status quo. Science-reform advocates, researchers and writers focused on how science itself is funded and governed, such as the Good Science Project, argue that [federal regulation is the root cause](#) of overhead growth, so capping payments while leaving hundreds of compliance mandates in place just forces universities to pay for regulation out of tuition and clinical revenue. Their prescription: deregulate, require transparency, keep paying actual costs. This camp also championed an analysis Congress has leaned on; the independent academic study behind the rate-versus-share numbers above was [cited by name in House appropriations report language](#). History supports their diagnosis. The post-Stanford response piled on rules whose compliance costs flowed right back into overhead. Reform by adding complexity has been tried. It is a large part of how the system became this hard to explain.

The Proposed Solutions: FAIR, Preferences, and Targeted Caps

[The FAIR model](#) is the most developed alternative. Instead of a percentage rate, it itemizes: the costs of doing the project, the support costs tied to that specific project (compliance, data services, facilities), and a general-operations remainder [capped at 15 percent of the total award](#), with a simplified option for institutions that can't itemize. Its reception has been mixed. At [a town hall of 3,200 research administrators](#), participants asked whether FAIR is actually simpler, whether it saves the government money, and whether itemizing burdens smaller institutions. Those are the right questions, and they are unanswered, because no pilot, cost estimate, or test of FAIR against real institutional finances has been made public. The JAG [secured language in four FY26 funding bills](#) freezing rate policy while it works toward adoption next year.

The House has a middle path it keeps proposing. [A provision in the House FY27 bill](#) would cap NIH indirect costs at 30 percent of an award, but only for universities subject to the endowment tax. It is a cap aimed at a class of institutions rather than applied across the board, and it is not new: the House included versions in its [FY25](#) and [FY26](#) bills, and each time the language was stripped before the final package became law. The same analyst who flagged the provision notes it may bind less than its authors expect: it is written against the whole award, and with overhead averaging about 28 percent of awards NIH-wide, the ceiling may sit near current practice, though individual institutions' own shares can run higher. Either way, it is the denominator trap from Section 2, this time inside legislative text, and its record of dying in conference is itself information about its odds.

The quietest alternative is already in a proposed rule. The lower-rate preference in the executive order and the OMB proposal does not cap anything. It makes an applicant's overhead rate a factor, weighed by political appointees before awards go out, in whether the applicant wins at all. [Legal analysts note](#) this may accomplish some of what the cap would have, without triggering the funding-law language that killed the cap. Nobody knows how much weight the preference will carry, or how it could be applied even-handedly across institutions whose rates reflect different cost structures, and some advisors are already telling clients to volunteer reduced rates on selected competitions, which quietly shifts real costs onto tuition and other revenue without any public decision that they should be shifted.

4. Risks and Unknowns

The legal victory settled process, not policy. The courts held that NIH broke the rules in how it imposed the cap. They did not say a cap is bad policy, or that the executive branch could never impose one through proper rulemaking, and nothing stops Congress from enacting one or OMB from finalizing a preference that pushes rates down without capping them. Treating the ruling as the end of the story mistakes a procedural win for a substantive one.

The lower-rate preference could work as a shadow cap, with less accountability than a real one. A formal cap is visible, challengeable in court, and countable in a budget. A preference applied by political appointees is none of those, even though the rule creating it went through public comment. If institutions underbid their audited costs to stay competitive, rates fall with no public decision and no record of who absorbed the difference.

This year's protection expires, and next year's fight is already staged. The protective funding language is annual. The FY27 budget request again proposes the cap and the repeal of that language, the House has again proposed its endowment-targeted cap, stripped from the final package two years running, and the JAG is pitching FAIR for the same bills. FY27 will likely decide whether reform is negotiated or imposed, or whether a deadlocked Congress preserves the status quo by default.

FAIR's fate depends on whether it reads as reform or repackaging. If FAIR is roughly cost-neutral, skeptics may conclude the community relabeled its overhead rather than reduced it. If it saves money, institutions absorb cuts they organized to prevent. Its designers have published no cost estimates, so nobody voting on FAIR will know what it costs.

Every option's burden falls unevenly, and the analysis of who bears it is thin. Nearly all public modeling covers research universities. Far less is known about independent research institutes, safety-net medical centers, and nonprofit research organizations, including those doing health services research, which lack endowments and clinical margins to absorb unrecovered costs. Institutions with small accounting shops face the worst of both worlds: penalized by a preference for low rates, and penalized by an itemization model that rewards accounting sophistication.

5. How to Read the Evidence Yourself

Questions to ask about any analysis in this debate

Six questions, two for each of the three problems. They work equally well on a briefing memo, a witness, or an op-ed.

On cost: does it distinguish rates from shares? This is the most common source of confusion. Negotiated rates (often 50 to 70 percent) are added on top of direct costs, and only some direct costs at that; the actual overhead share of NIH awards is about 28 percent. An analysis treating a 56 percent rate as "56 cents of every dollar" is wrong before it starts, and both sides have made versions of this error.

On cost: if the federal share falls, who pays instead? No proposal has the federal government cover all infrastructure costs, and none makes those costs disappear. Caps and preferences do not eliminate costs; they move them, to tuition, clinical revenue, state budgets, or philanthropy, or the activity stops. An analysis that counts federal savings without saying who picks up the bill, or what stops happening, is incomplete.

On efficiency: does a comparison line up what is actually being paid for? Foundation rates of 10 to 15 percent are real, but foundations let institutions bill many expenses directly that federal rules push into overhead, and their grants sit on infrastructure someone else financed. International comparisons carry

the same problem: **the UK pays 80 percent of a per-project “full economic cost”**, while **the EU pays a flat 25 percent and Japan a flat 30**, but countries with lower headline rates typically fund university buildings and salaries through separate channels that the American system routes through the rate. Lining up percentages without lining up definitions measures accounting conventions, not efficiency. The caution cuts the other way too: institutions' claims that they lose money on research rest on their own cost studies.

On efficiency: does the proposal change the incentive, or just the number? A lower percentage grafted onto the same negotiate-from-your-costs logic keeps the same long-run ratchet at a smaller scale: economizing still lowers an institution's next rate. Reforms that change what gets rewarded, whether through itemization, deregulation, or competition, at least aim at the incentive. Ask which kind is on the table.

On transparency: is the claim evidence, or a model? Savings projections assume institutions keep doing the same research with less support. Worst-case projections assume institutions cannot adjust at all. Both are assumptions: none of the 2025 caps took effect, so every confident claim about what “would have happened” is a model, not evidence. The same discipline applies to FAIR, which is a framework rather than draft regulation; even a willing scorer would first have to fill in the details.

On transparency: would you be able to tell, a year later, whether it worked? This is the test almost every proposal currently fails. A cap saves money by definition, but whether it damaged research would go unmeasured. FAIR promises clarity, but nobody has defined what success would look like. A proposal that arrives with no way to know whether it worked is telling you something in advance.

Common ways the evidence gets overstated

One overstatement: overhead is a slush fund. The pools are audited, the administrative slice has been capped since the 1990s, and personal expenses have been off-limits for as long. The reverse overstatement, that every dollar is essential and fully documented, is also common; what the accounting supports is narrower. The community's own description is that the rate is a documented proxy: it overshoots on some projects, undershoots on others, and is designed to even out across a portfolio. That is a defensible design. It is also one that cannot show where the money goes on a project-specific basis, which is why its designers proposed FAIR. And the claim that the courts “upheld the current system” stretches the record. Every ruling turned on how the caps were imposed, not on whether the system works.

What to know about who is producing the research

The evidence here leans unusually hard on interested parties, so weigh each source by what it wants. CRS is the most neutral source on the mechanics and the legal state of play; GAO is strong on the history. Association materials are data-rich but exist to protect member revenue, and FAIR is a negotiating position as well as a proposal. Think tank analyses identify real incentive problems but are written in service of a broader agenda for higher education. The science-reform writers have no financial stake on either side, which is partly why appropriators cite them, but they are commentators, not official scorers. NIH's figures were assembled to justify a policy, and the associations' rebuttals were assembled to defeat it; read both accordingly. And the last independent RAND-style analysis of this system dates to 2000; no neutral body has scored any of the competing proposals since. That absence of current, disinterested measurement is one of the most important facts about this debate.

6. The Bottom Line

Several premises are well supported. Research infrastructure costs are real and large. The system that pays for them is opaque enough that even the institutions it pays have proposed an alternative. A flat cap would have caused large, concentrated, uneven losses. And the way the caps were imposed was unlawful at every judicial stage.

The prescriptions are where the evidence thins. FAIR's virtues are design promises that have not been tested or priced. The deregulation-first path has the cleanest diagnosis but no legislative vehicle. And the preference mechanism now in proposed regulation has no evidence base at all; its ability to move rates without any public accounting is its most important and least examined feature.

The next twelve months will settle more than the last twelve did. The OMB rule is slated to take effect October 1, 2026. The FY27 bills will decide whether the protective language survives, whether the wealth-targeted cap advances, and whether FAIR gets a vehicle. The administration has abandoned the mechanism the courts rejected, not the 15 percent target.

The most useful next questions for research are practical. What does research infrastructure actually cost, measured by someone without a stake in the answer? What would FAIR cost, and who gains and loses under it? How much overhead is attributable to specific rules that could be repealed? And what happens to the research organizations nobody is modeling, the institutes and nonprofits outside the university sector? Decisionmakers would be better served if those answers arrived before the FY27 bills are marked up, not after.

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