Issues for the week ending July 10, 2026

Federal Issues

Legislative

Key Congressional Committees to Consider Healthcare Legislation

Congress returns this week for the final stretch before the August recess with several committees expected to consider healthcare-related bills. The likely agenda includes:

- The Senate HELP Committee plans to consider the **Patients Deserve Price Tags Act** and the **INSULIN Act**.
- The House Energy and Commerce Committee is preparing a full committee markup of transparency and prior authorization legislation advanced by the Health subcommittee last month.
- House Ways and Means is working toward a markup that will include transparency bills, including the **Lower Costs More Transparency Act**, and potentially the **No Surprises Act Enforcement Act**.

In this Issue:

While most are unlikely to advance to floor votes before the election, bills that gain bipartisan support could be in play for an end-of-year package.

- **Pennsylvania Rural Health Transformation Program Releases Additional Funding Opportunity**

Federal Issues

Regulatory

Departments Release FAQs on Recertification of IDR Entities

What's happening: The Departments of Health and Human Services, Treasury and Labor (Departments) issued Frequently Asked Questions (FAQs) on rectification of Independent Dispute Resolution (IDR) entities (IDRE) under the No Surprises Act (NSA).

Why this matters: IDREs frequently demonstrate a lack of consistency and accountability in determinations and a lack of awareness of eligibility criteria. These updates provide several clarifications to IDRE certification and recertification processes, but they do not substantially reform IDRE standards.

The details: The FAQs include the following key elements:

- **Process for recertifying IDREs.** IDREs applying for recertification will be required to provide written documentation demonstrating that they have sufficient expertise in arbitration, billing, coding, and medical and legal matters; have a sufficient number of personnel to make determinations within 30 business days; maintain a current accreditation from a nationally-recognized accreditation organization, such as URAC; and ensure that no conflicts of interest exist.

- **Timely application for recertification.** IDREs that do not apply for recertification will no longer be assigned new disputes beginning ninety calendar days in advance of the 5-year certification period expiring.

- **Failure to meet recertification standards.** IDREs that do not meet the requirements for recertification will not be permitted to operate as an IDRE following the end of their 5-year certification period.

- **Factors reviewed during recertification.** In addition to the written documentation that IDREs must submit, the Departments may consider an IDRE's ability to: make timely determinations on a high volume of dispute assignments; complete eligibility and payment determinations accurately in accordance with statutory and regulatory timelines; provide rationales for payment determinations

meeting regulatory requirements; and collect and process fees as appropriate. The Departments will review applicants for potential conflicts of interest.

- **Public petition.** IDREs will undergo a public petition period if they meet minimum recertification standards.

What's Next: BCBSA, AHIP and the Coalition Against Surprise Medical Bills are sharing detailed recommendations for the Departments on reforming processes for certification and recertification of IDREs and actions to improve overall accountability and oversight.

The Unified Agenda of Federal Regulatory and Deregulatory Actions Released

The **Unified Agenda of Federal Regulatory and Deregulatory Actions** is a government-wide, semiannual publication that lists planned and ongoing rulemaking activities across approximately 60 federal agencies. Compiled by the Office of Information and Regulatory Affairs (OIRA), it details active, completed, and long-term regulatory priorities. Published in the spring and fall, the Agenda provides public notice and transparency on federal regulations. Fall editions also include the broader Regulatory Plan, which highlights the administration's top regulatory and deregulatory priorities for the upcoming year.

The primary functions and features of the Unified Agenda include:

- **Regulatory Planning:** Helps executive agencies coordinate their rulemaking schedules and comply with federal transparency directives.

- **Public Tracking:** Allows the public, industry stakeholders, and lawmakers to monitor prospective rules and participate in the notice and comment process before regulations are finalized.

- **Deregulatory Initiatives:** Under OIRA oversight, the Agenda classifies rules as either regulatory or deregulatory to track net cost savings and support broader regulatory reform efforts.

Why this matters: Only one Unified Regulatory Agenda, the summer edition, was published September 2025, so this is the first real peek at this Administration's regulatory agenda.

There is no requirement as to the timeframe when these will be released. Our first notice is when they reach the Office of Management and Budget for final review and when that review is completed, the regulation is then published in the Federal Register. Government Affairs monitors this process.

This list is not comprehensive and new regulations can be released that were never listed on a unified agenda; however, this gives a perspective as at where we can expect future rulemaking.

Below are regulatory items of interest for Highmark:

Medicare

Final Actions

- Medicare Part B monthly actuarial rates, premium rates, and annual deductible (CY 2027)
- CY 2027 Part A premiums for uninsured aged and certain disabled individuals
- CY 2027 inpatient hospital deductible and hospital/extended care coinsurance amounts
- Independent Dispute Resolution (IDR) Operations
- Air Ambulance Services, Agent and Broker Disclosures, and Provider Enforcement
- Transparency in Coverage

Proposed Actions

- Medicare Advantage and Part D policy and technical changes (CY 2027 and CY 2028)
- Medicare Drug Price Negotiation Program
- Physician Fee Schedule updates (CY 2027)
- Hospital Inpatient PPS updates (FY 2027)
- Hospital Outpatient PPS and ASC payment updates (CY 2027)
- Home Health PPS update (CY 2027)
- Hospice payment and quality reporting updates (FY 2027)
- Inpatient Rehabilitation Facility PPS update (FY 2027)
- Inpatient Psychiatric Facility PPS update (FY 2027)
- End-Stage Renal Disease PPS update (CY 2027)
- Alternative Payment Models (including IOTA model)
- Made in America PPE and essential medicine procurement requirements for Medicare hospitals

ACA / Commercial

Final Actions

- Transparency in Coverage
- Independent Dispute Resolution (IDR) Operations
- Air Ambulance Services, Agent and Broker Disclosures, and Provider Enforcement
- Application of Employer Shared Responsibility and certain nondiscrimination rules to HRAs integrated with individual coverage/Medicare

Proposed Actions

- Excepted Benefits
- Individual Coverage Health Reimbursement Arrangements (ICHRA) / Expanding Access to ICHRA
- Association Health Plans
- Short-Term Limited Duration Insurance (STLDI)
- Advanced Explanation of Benefits (AEOB)
- Mental Health Parity and Addiction Equity Act (MHPAEA)
- Notice of Benefit and Payment Parameters (NBPP) for 2027
- Exchange Pre-Enrollment Eligibility Verification
- State Innovation Waivers and Health Care Choice Compacts
- Provider Nondiscrimination Requirements for Group and Individual Markets

- Essential Health Benefits (EHB) Framework Review
- Excepted Fertility Benefits

Medicaid

Final Actions

- State Community Engagement Requirements
- Prohibition on Medicaid/CHIP funding for specified sex-rejecting procedures furnished to children and youth

Proposed Actions

- Medicaid Managed Care State Directed Payments and Targeted Practitioner Payments
- Strengthening the Integrity of Medicaid and CHIP Managed Care, Financing, and Access to Care
- Strengthening the Integrity of Section 1115 Demonstrations
- Amendments to Health Care-Related Tax Rules

IT / Interoperability / Privacy

Final Actions

- Health Data, Technology, and Interoperability: Patient Engagement, Information Sharing, and Public Health Interoperability
- HIPAA Privacy Rule: Changes to Support Coordinated Care and Individual Engagement and Reduce Regulatory Burdens
- Standards for Health Information Technology
- Patient Medication Information
- National Drug Code Format and Drug Label Barcode Revisions

Proposed Actions

- HIPAA Electronic Transaction Standards Updates
- Interoperability Standards and Prior Authorization for Drugs
- Health Data, Technology, and Interoperability: APIs and Information Blocking
- ASTP/ONC Deregulatory Interoperability Actions
- HIPAA Privacy Rule to Promote Timely Access to Protected Health Information
- Financial Data Transparency Act

General / Enterprise-Wide

Final Actions

- PBM Fee Disclosure Transparency
- Telemedicine Special Registrations
- SUPPORT Act Medication-Assisted Treatment Provisions
- Disability Nondiscrimination and Accessibility Requirements

- Nondiscrimination Regulations and Title VI Revisions
- Removal of COVID-19 in Healthcare Settings Rule

Proposed Actions

- Organ Procurement Organization Reforms and Transplant Oversight Initiatives
- Comprehensive Regulations to Uncover Suspicious Healthcare (CRUSH)
- Anti-Kickback Statute/Fraud and Abuse Request for Information
- Prescription Drug Adverse Event Reporting Changes
- OCR Conscience Authority Regulations
- Section 1557 Nondiscrimination Revisions

Transparency in Coverage Final Rule Targeted for July in Latest Unified Agenda

The most recent Unified Agenda lists an anticipated July 2026 date, a non-binding estimate, for the Transparency in Coverage (TiC) final rule (CMS-9882, RIN 0938-AV64). The rule would finalize the proposed rule published on December 23, 2025, which BCBSA submitted comments on. While the agenda lists a July date, the final rule does not currently appear on the Office of Management and Budget's (OMB) regulatory review dashboard. Before a significant final rule like this one is published, OMB's Office of Information and Regulatory Affairs (OIRA) must review it, and rules undergoing that review are listed on the dashboard. This review is generally the last step before a rule publishes.

The same agenda also lists a September 2026 target for the proposed rule on the Advanced Explanation of Benefits (AEOB) requirement under the No Surprises Act (CMS-9900, RIN 0938-AU98). This would follow the September 2022 request for information which BCBSA commented on. The projected date has moved in prior agendas, which had last targeted April 2026.

CMS Rescinds "Fast Track" Review Process for Section 1115 Demonstration Extensions

On July 7, CMS published an Informational Bulletin formally rescinding its July 2015 guidance establishing an expedited federal review process for Section 1115 Medicaid and CHIP demonstration extensions. Going forward, all extension requests will be subject to the standard, more comprehensive review process. CMS cited the new budget neutrality requirements in the One Big Beautiful Bill Act (OBBBA), which require the CMS Chief Actuary to certify that all demonstrations are budget neutral before they can be approved, renewed, or amended, beginning January 1, 2027. States with demonstrations coming up for renewal should anticipate longer review timelines as CMS prepares to operationalize the new requirements.

State Issues

New York

Regulatory

Governor Issues “Regulatory Reset” Executive Order

On Wednesday, Governor Hochul issued an **Executive Order** to commence New York's "Regulatory Reset," a comprehensive and methodical review of thousands of regulations and laws across all state agencies, to improve the functioning and efficiency of state government. Through this "Regulatory Reset," agencies will reform outdated regulations, fees, and requirements that waste New Yorkers' time, and make sure that taxpayer dollars are being put to good use.

The "Regulatory Reset" Executive Order specifically directs agencies to review the following opportunities for modernization and reform:

- **Outdated requirements in regulations** that add unnecessary burdens for New Yorkers, including requiring people to mail or fax information, submit wet signatures or multiple physical copies of documents, file information in person, or notarize documents.
- **Burdensome fees and fines** imposed on individuals and small businesses which drive up costs without generating meaningful revenue for the State.
- **Mandated reports and boards, commissions, and councils** that state agencies are dedicating significant resources to, but no longer serve the public interest

More information can be found **here**.

State Issues

Pennsylvania

Legislative

2026–2027 State Budget Finalized

On Sunday, the General Assembly passed and the governor signed the 2026–2027 state budget.

Bottom Line: The plan effectively functions as a "cost-to-carry" budget, **without addressing major policy issues that lawmakers have debated during budget negotiations, such as regulation of skill games, an increase to the minimum wage, and the legalization of adult-use marijuana**.

In the lead up to the budget, lawmakers took up a wide swath of policy issues, many focused on hospitals and health care. Notably, hospital-related bills related to a state false claims act and mandated workplace violence committees were not enacted, despite gaining momentum as potential policy trades. Legislation related to hospital mergers and acquisitions was amended to mitigate hospital community concerns but did not receive a final vote.

Background: **House Bill 2400** provides annual appropriations, establishing state spending levels; **Senate Bill 146** provides statutory authority and direction to implement the budget, along with specific programs.

More details: This year's budget includes $50.85 billion in General Fund commitments, a $1.87 billion increase over 2025–2026.

- The approved package is $1.1 billion below the governor's February proposal.
- The budget does not dip into the Rainy-Day Fund or include tax increases, relying instead on recovering unused dollars through identified lapsed funds and fund transfers.
- This includes budgeted savings generated through a managed care payment cycle roll.
- An approach used in prior budget cycles; the Department of Human Services will hold payment for a month at the end of one fiscal year and pay for two months at the beginning of the following fiscal year.

Hospital Community Priorities and Areas of Interest:

Medicaid Supplemental Payments: The budget maintains funding for obstetric/neonatal intensive care, burn units, and trauma centers. Line amounts are:

- Obstetric and Neonatal Services: $10.68 million
- Burn Centers: $4.44 million
- Trauma Centers: $8.66 million

Hospital and Healthsystem Emergency Relief Fund: Governor Shapiro's proposed budget had zeroed out this funding. Hospitals strongly opposed this cut and actively advocated for funding to be maintained. The final approved budget restored funding within the Department of Community and Economic Development at $13.5 million.

Rural Hospitals: Maintains $10 million for rural hospitals (about $36 million with federal match).
Tobacco Settlement Fund: The budget continues the transfer of revenue in the amount of $115.3 million from the cigarette tax to the Tobacco Settlement Fund, ensuring continuation of level payments to hospitals for uncompensated care or extraordinary expenses.

Medicaid 1115 Waiver: Provides $1.9 million in the Fee-for-Service appropriation, including $1 million to provide housing support to eligible Medicaid recipients, including individuals with behavioral health disorders; chronic conditions; or who are pregnant or 12-months postpartum.

Workforce

- $42.5 million for Grow PA scholarships, supporting education of new nurses and other related fields, an increase of $10 million.
- $30 million, an increase of $5 million, to establish the Child Care Staff Recruitment and Retention Program, addressing a barrier to recruiting hospital staff.
- $2.5 million to the Nursing Shortage Assistance Program within Pennsylvania Higher Education Assistance Agency, along with funding for student aid matching payments.

Behavioral Health

- $10 million for the 988 crisis line and $5 million for crisis centers.
- $42 million increase in funding within the Mental Health Services, including a $3.2 million increase for the Community Hospital Integration Projects Program.
- Maintains $20 million for county mental health services.
- Maintains $100 million for School Safety and Security grant funding designated for physical school safety and mental health funding.

Several policy measures were passed alongside the 2026–2027 budget, including:

- **House Bill 482:** Authorizing Pennsylvania to join the National Occupational Therapy Licensure Compact.
- **Senate Bill 604:** Authorizing Pennsylvania to join the Counseling Compact.
- **Senate Resolution 216:** Directs the Legislative Budget and Finance Committee to conduct a study

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Regulatory

Pennsylvania Rural Health Transformation Program Releases Additional Funding Opportunity

The Pennsylvania Department of Human Services (DHS) **announced** a new funding opportunity through the Rural Health Transformation Program (RHTP) in the *Pennsylvania Bulletin*.

This funding opportunity is targeted at the following:

1. Updating or implementing a Certified Electronic Health Record Technology system in accordance with 45 CFR 170.315 (relating to Office of the National Coordinator for Health Information Technology certification criteria) and becoming a participant in one of the commonwealth's five certified Health Information Organizations (HIO) and fully onboarding to the Pennsylvania Patient and Provider Network (P3N).

2. Participating in one of the commonwealth's five certified HIOs and fully onboarding to the P3N.

DHS is allocating $25 million to this opportunity. Hospitals are capped at $70,000 per location for HIO onboarding only. Reference the **bulletin** for additional provider type payment award caps, including long-term care nursing facilities, behavioral health providers, and others. Additional information and requirements, including the eligibility certification, are available at the department's **website**.

Eligibility certifications will be accepted **July 27, 2026, at 8 a.m., through August 14, 2026, at 11:59 p.m.**, or until the authorized funding cap has been met, whichever is sooner. Program payments will be authorized in the order eligibility certifications are received.

Why this matters: H.R. 1 (Section 71401 of Public Law 119-21) authorized $50 billion to be allocated to approved states over five fiscal years (FY), with $10 billion of funding available each FY, beginning in FY 2026 and ending in FY 2030. Pennsylvania received $193 million for year one of the program.

Interested in reviewing a copy of a bill(s)? Access the following web sites:

Delaware State Legislation: **http://legis.delaware.gov/.**
New York Legislation: **https://nyassembly.gov/leg/**
Pennsylvania Legislation: **www.legis.state.pa.us.**
West Virginia Legislation: **http://www.legis.state.wv.us/**
For copies of congressional bills, access https://www.congress.gov/