



Issues for the week ending September 26, 2025

Federal Issues

Legislative

Shutdown Looms as Deadline Approaches

Congressional negotiators and the White House have until midnight Tuesday to address the expiration of federal funding, or the federal government will shut down on Wednesday. Talks to date have not produced a deal and both sides continue to dig in on their positions. The House passed a short-term [continuing resolution](#) (CR) on September 19 that would fund the federal government through November 21 and is not expected to reconvene this week unless a new deal is struck.

State of play: Senate Democrats, whose votes are needed, have balked at passing the House bill and are insisting on attaching a long-term extension of the Affordable Care Act's (ACA's) enhanced premium tax credits, as well as repealing parts of the recently-passed One Big Beautiful Bill Act. Republicans have said they are willing to talk about a potential ACA extension, but not as part of a government funding deal.

Something to watch: The House-passed CR included an extension of Medicare telehealth flexibilities, which would lapse at least temporarily if a shutdown occurs.

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Why it matters: While there will be disruption across the government, **many activities will continue if there is a shutdown.** Federal health care financing programs, **including Medicare, Medicaid and the marketplaces, would continue to operate because they are mandatory programs and thus, for the most part, are not subject to annual Congressional appropriations.** However, only Federal employees deemed “essential” are allowed to work. Many – but not all - HHS employees would be deemed essential to operate the mandatory programs in addition to other “essential” responsibilities.

What’s next: HHS and all other federal departments are providing information on their operations and staffing while the shutdown is in effect.

Going Deeper: Most of the federal health financing programs would function as they normally do, although regulatory activities could be curtailed or paused if they are deemed to not be necessary for the programs to operate in the short-term. Each department, in consultation with OMB, determines the “essential” services, and the agency determines who specifically is considered “essential” staff during a shutdown based on essential services. HHS estimates that approximately 59% of its nearly 80,000 employees would be deemed essential, with the remainder being furloughed during a shutdown. Additional information is available in the [FY 2026 HHS Contingency Staffing Plan for Operations in the Absence of Enacted Annual Appropriations.](#)

- GAO Releases Study on Administrative Spending for Georgia Work Requirements
- Federal Judge Vacates Rule that Would have Ramped up Medicare Advantage Risk Adjustment Data Validation (RADV) Audits
- Federal Court Blocks CMS Rule on Medicaid Financing Arrangements

Federal Issues

Regulatory

President Trump Announces 100% Tariff on Imported Pharmaceuticals

President Trump [announced](#) a 100% tariff on branded and patented pharmaceutical products starting Oct. 1, exempting companies that are building manufacturing plants in the US. The move aims to incentivize domestic production but has raised concerns among drugmakers about potential disruptions to the supply chain and increased costs.

Departments Issue Updates and Resources on Surprise Billing IDR Process

What's new: The Department of Health and Human Services (HHS), Labor and Treasury (Departments) released a new fact sheet on the backlog of Independent Dispute Resolution (IDR) cases, a bi-monthly IDR data report, and an update on two additional IDR Entities (IDREs) available to adjudicate disputes.

Why this matters: The IDR process causes substantial burden and cost for Plans, in part due to the excessive volume ineligible IDR disputes. The expanded options of IDREs and steps the Departments highlight in their fact sheet are intended to address IDRE capacity issues and reduce delays in resolution of disputes.

Go deeper: The resources include the following:

- **[Fact Sheet](#) on clearing the IDR backlog.** The fact sheet details steps the Departments have taken to clear the IDR backlog and resolve IDRE capacity issues. The Departments provide data demonstrating the rate at which IDR disputes are being resolved.
 - **Federal IDR Bi-Monthly [Report](#).** The Departments are now releasing a bi-monthly report to update the public more frequently on IDR program statistics. This report includes June and July 2025 information on volume of disputes initiated, number of disputes closed and reasons for closure of disputes.
 - **New IDREs.** The Departments [announced](#) that two recently certified IDREs, Capitol Bridge and Livanta, are now available to adjudicate disputes.
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CMS Issues Further Guidance on Impacts of *City of Columbus v. Kennedy*

On September 24, 2025, CMS published a [new webpage](#) on the qualified health plan (QHP) certification website that consolidates recent QHP certification updates and guidance related to *City of Columbus v. Kennedy*. It includes [guidance](#) clarifying the planned data change window set to occur from September 30 through October 1 that was communicated in a separate memo.

Links include:

- [Qualified Health Plan \(QHP\) Certification Updates for the Federally-facilitated Exchange \(FFE\) and State-based Exchanges on the Federal Platform \(SBEs-FP\) in Response to City of Columbus v. Kennedy, No. 25-cv2114-BAH \(D.Md.\)](#)
- [Additional Guidance on Qualified Health Plan Certification and City of Columbus v. Kennedy](#)
- [Impacts of City of Columbus v. Kennedy on Open Enrollment \(OE\) 2026](#)
- [PY2026 QHP Data Submission and Certification Timeline bulletin](#)
- [PY2026 QHP Issuer Application Instructions: Plans & Benefits](#)
- [2026 Actuarial Value Calculator Instructions](#)
- [PY2026 Qualified Health Plan Issuer Application Instructions](#)

Additionally, CMS published a [slide presentation](#) dated September 19, 2025 that highlights the provisions in the Marketplace Integrity and Affordability Final Rule that have been impacted by the court proceedings.

CMS Releases 2024 Child, Adult Core Set Data

The Centers for Medicare & Medicaid Services (CMS) released the 2024 Medicaid and Children's Health Insurance Program (CHIP) Child and Adult Core Set data along with 2024–2025 External Quality Review (EQR) tables. All 27 Child Core Set measures and 30 of 33 Adult measures met the standards for public reporting. The release included a data dashboard, fact sheets, trend analyses, and full datasets to support benchmarking and research. The trend analysis shows that, between 2022 and 2024, median performance improved for 11 child measures and 14 adult measures and declined for 11 child measures and five adult measures. With this release, CMS also published updated EQR summary tables, outlining how states monitor and evaluate managed care program performance and improvement initiatives.

Read More

- [Dashboard](#)
 - [Fact Sheet](#)
 - [Trend Analysis](#)
 - [EQR Summary Tables](#)
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CMS Releases 2026 Medicare Advantage and Part D Plan Landscape Files

CMS released a [press release](#) and [state fact sheets](#) providing information about Medicare Advantage (MA) and Medicare Prescription Drug plan options for CY 2026. More detailed information is displayed in CMS landscape files and related information is available on the [agency's website](#). This [page](#) includes a link to the 2026 landscape files, which contain Part D, MA, and Special Needs Plan (SNP) information.

State Issues

New York

Legislative

Governor Signs Donate Life Registry Legislation

The governor [signed](#) A7906, which mandates that every insurance policy delivered or issued for delivery in New York which provides major medical or similar comprehensive-type coverage shall provide space on any enrollment, renewal or initial online portal process forms so that the insured or applicant for insurance shall register or decline registration in the donate life registry.

This bill was an amendment to a previously passed law regarding the enrollment process.

Industry Trends

Policy / Market Trends

NABIP Releases Healthcare Tax Credit Resource Kit

On September 24, 2025, the National Association of Benefits and Insurance Professionals (NABIP) issued a [press release](#) announcing a new Healthcare Tax Credit Resource Kit to help drive greater understanding of the importance of extending the enhanced premium tax credits. The [resource kit](#) includes resources for consumers as well as resources for NABIP members, leaders, and industry partners.

GAO Releases Study on Administrative Spending for Georgia Work Requirements

The U.S. Government Accountability Office (GAO) released a study on the administrative costs for Georgia's Section 1115 Medicaid Demonstration, "Pathways to Coverage," which imposed a work and community engagement requirements for Georgia's expansion population. GAO completed the review at the request of Democratic lawmakers. GAO found that implementing the demonstration required multiple changes to the state's eligibility and enrollment systems, additional outreach efforts, and other administrative activities. Administrative spending for the demonstration accounted for \$54.2 million out of the \$80.3 million in total demonstration spending in the first 4.5 years, and about 88% of administrative spending was financed by federal dollars. Additionally, GAO found weaknesses in CMS's consideration and oversight of administrative spending when the demonstration was approved in October 2020.

These findings are consistent with concerns GAO raised in a 2019 report on Medicaid work and community engagement requirement demonstrations. GAO reiterated previous recommendations from the 2019 report: first, that CMS account for administrative costs when assessing a demonstration's effect on federal spending and second, that CMS assess the risks of providing federal funds that are not allowable to administer work requirements and improve oversight procedures.

Read More

- [GAO Report](#)
 - [ProPublica Article](#)
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Federal Judge Vacates Rule that Would Have Ramped Up Medicare Advantage Risk Adjustment Data Validation (RADV) Audits

A federal judge [vacated](#) CMS' 2023 final rule on Medicare Advantage RADV audits, which applied to payment year (PY) 2018 and subsequent years.

Background: The rule would have allowed CMS to extrapolate audit findings from a sample of enrollees to an entire contract and recover overpayments based on those estimates.

The court found that CMS violated the Administrative Procedure Act by failing to provide adequate notice of its decision to eliminate the fee-for-service (FFS) adjuster—a key mechanism used to ensure payment parity between Medicare Advantage and traditional Medicare.

Why this matters: The judge ruled that CMS's final justification for removing the FFS adjuster was not a logical extension of its proposed rule and therefore vacated and remanded the rule for further consideration.

- "This ruling, in a venue likely viewed as favorable to the plaintiffs, throws a wrench into [Medicare Advantage] audits and how they play out, potentially a big wrench," lawyers at Epstein Becker Green wrote in a [blog post](#) about the ruling.

Federal Court Blocks CMS Rule on Medicaid Financing Arrangements

A federal judge in Texas permanently blocked provisions of the Medicaid Managed Care Access, Finance and Quality final rule and related bulletins that sought to expand the definition of impermissible "hold harmless" arrangements. The rule would have barred states from using provider tax pooling agreements where private entities redistribute Medicaid payments among each. Previously, CMS had only defined redistribution of Medicaid funds as hold harmless arrangements if states were directly involved. CMS argued this practice improperly shifted costs to the federal government; however, the court found that CMS overstepped its authority and failed to appropriately justify the change. The ruling applies nationwide, preserving states' ability to continue using these pooled arrangements.

Read More

- [Bloomberg Law Article](#)
 - [Court Ruling](#)
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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 the Thomas website – <http://thomas.loc.gov/>.

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