



Issues for the week ending October 17, 2025

Federal Issues

Legislative

No End in Sight for Government Shutdown

As the federal government shutdown approaches three weeks, no progress is being reported in negotiations among party leaders, with both sides seemingly dug in on their positions and believing they have public support.

State of play: The House continues to recess, with Speaker Mike Johnson (R-LA) maintaining that the chamber has fulfilled its role in funding the government by passing a [clean continuing resolution \(CR\)](#) last month. In the Senate, Majority Leader John Thune (R-SD) continues to publicly state he is willing to give Democrats a vote on the expiring premium tax credits, but they need to reopen the government first. An informal bipartisan group of senators continue discussions to identify a path forward.

While the House will remain out this week, the Senate will be in session, giving senators an opportunity to negotiate and potentially hold additional votes.

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Senators Launch Inquiry on Errors in Medicaid Eligibility Systems

Senators Ron Wyden (D-OR), Elizabeth Warren (D-MA), Bernie Sanders (I-VT), and Raphael Warnock (D-GA) sent letters to Deloitte, GDIT, Gainwell Technologies and Conduent regarding errors in their systems to determine Medicaid eligibility and the potential for these errors to cause inappropriate loss of Medicaid coverage as states implement work requirements and other eligibility changes. The letters asked contractors to answer several questions about their contractors to provide Medicaid eligibility services, including whether any of their contracts include incentives tied to the number of individuals removed from Medicaid, whether the contractors have been penalized for wrongful termination of Medicaid coverage or been the subject of Centers for Medicare & Medicaid Services (CMS) compliance action, and whether the contractors plan to compete for contracts to implement new eligibility requirements under H.R.1. Additionally, the letters requested that contractors submit complete data on the number of people they have referred to state Medicaid offices as ineligible for coverage with justifications for these determinations. The Senators have requested that contractors provide the requested information by Oct.31, 2025.

Read More

- [Letters](#)
- [KFF Health News Articles](#)

Federal Issues

Regulatory

Government Shutdown: Telehealth in Medicare Advantage & Medicare Claims Hold

- **Medicare Advantage Telehealth Coverage:** In response to requests for technical guidance, CMS reminded Medicare Advantage (MA) organizations of the prompt payment requirements via HPMS memo on Friday, October 10th. “MA organizations have 30 days from the receipt to pay 95 percent of “clean claims” for services furnished by non-contracted providers or submitted by, or on behalf of, an enrollee of an MA private fee-for-service (PFFS) plan. MA organizations have 60 calendar days from the date of request to pay or deny all other claims from non-contracted providers.”

- **Medicare Claims Hold Update:** CMS published a [spotlight](#) for all fee-for-service providers. Instructions were given to all the Medicare Administrative Contractors (MACs) to hold claims with dates of service of Oct. 1st. During the government shutdown, CMS will continue to process and pay held claims in a timely manner except for select claims for services impacted by the expired provisions. Accordingly, CMS states no payments have been delayed and there is an existing statute requiring all claims to be held for a minimum of fourteen days.
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Launch of Government Website to Facilitate Direct-To-Consumer Prescription Drug Sales

The Trump Administration soft launched TrumpRx.gov, a new government website meant to promote access to affordable prescription drugs. This initiative was created in response to a May [executive order](#) to implement a most favored nation (MFN) pricing policy. The website will not sell or distribute medications but connect patients to direct-to-consumer (DTC) drug manufacturer sales platforms. As outlined in the executive order, patients will have access to the MFN price via these DTC platforms.

State Issues

New York

Legislative

Pending Bills Begin to Move

A number of bills that passed during the legislative session were sent last week to the Governor for consideration, including a few healthcare-related bills Highmark has been monitoring.

Updates on these bills are listed below.

- A.2520/S.1616 – Requires Medicaid MCOs to reimburse DME at no less than 100% of Medicaid DME rate – **Vetoed; Veto Message 40 of 2025.**
- [A.3280-A/S.3323-A](#) – Mandates coverage for transvaginal ultrasounds during pregnancy – **Signed Chapter 447 of the laws of 2025. Effective 1/1/2027.**
- A.7321-A/S.3654-A – Mandates coverage of speech therapy for stuttering – **Vetoed; Veto Message 44 of 2025**
- A.957/S.1224 – Excludes school-based health centers from Medicaid managed care – **Vetoed; Veto Message 45 of 2025**

Another bill, the **New York Health Privacy Act** ([A.2141/S.929](#)), which is of serious concern to many industries, including health plans, is under consideration for chapter amendments.

Regulatory

Vaccine Executive Order Extended

Governor Hochul extended the [Executive Order](#) allowing pharmacists to continue administering COVID vaccines, intended to ensure access for all New Yorkers who wish to be vaccinated. For the governor's full press release, click here: [press release](#)

The Executive Order is extended through November 2.

State Issues

Pennsylvania

Regulatory

Pennsylvania Insurance Department Provides Clarity Around Vaccine Coverage Expectations for Insurers Through 2026

On Saturday October 18 the Pennsylvania Insurance Department (Department) issued guidance via Notice 2025-09 in response to questions it has received concerning expectation of vaccine coverage by insurers in light of certain Federal messaging relating to vaccine availability.

By its notice, the Department sets forth its expectation that all vaccines identified in policy forms approved for sale through 2026 by the Department and promised to purchasers of coverage based on those forms will continue to be covered. The notice applies to all insurers that offer comprehensive major medical policies and limited or excepted benefit policies, including but not limited to short-term limited duration or specified disease policies.

Further, the Department also expects all accident and health insurers that issue policies in Pennsylvania, providing coverage of health care services, continue to cover vaccines—without cost-sharing and the imposition of other administrative barriers—consistent with the coverage approved for sale by the Department and the promise of coverage made to the insured at the time the coverage was purchased.

The Department notes that this notice is specific to commercial insurance coverage subject to the Department's jurisdiction. However, the Department strongly encourages insurers that administer self-insured plans, not subject to the Department's jurisdiction, work closely with their self-funded clients to ensure consistent access to vaccines.

The Department also recognized that on Wednesday, September 3, 2025, the State Board of Pharmacy approved a number of organizations as competent authorities to establish guidelines and schedules for immunizations. As a result, it is expected that vaccines consistent with the guidance provided by those sanctioned organizations will be covered as preventive services, without cost-sharing or other barriers (beyond those imposed in the ordinary course for all other preventive services).

The Department also urges all health insurers to act in accordance with this notice both to keep their promises of coverage and to provide affordable access to vaccines.

The full notice and a listing of authorities recognized to establish guidelines and schedules for immunizations is available

at: <https://www.pacodeandbulletin.gov/Display/pabull?file=/secure/pabulletin/data/vol55/55-42/1425.html>

Industry Trends

Policy / Market Trends

States Grapple with Potential Consequences if Congress Lets Health Care Tax Credits Expire

News reports in states throughout the nation are shedding additional light on the negative consequences Americans will experience if Congress fails to extend the enhanced premium tax credits that have made high-quality health care coverage affordable for more than 22 million people.

Why this matters: In addition to steep premium increases and coverage losses, the ripple effects of Congressional inaction threaten to destabilize state health systems, drive up costs for all consumers, and push struggling hospitals, especially in rural areas, closer to the brink.

State Snapshots:

- **Georgia:** Up to 450,000 residents could lose coverage, costing hospitals \$1.6B in revenue and threatening rural care. ([Georgia Recorder](#))
- **Ohio:** Expiration could spike costs and push more people to ERs, raising prices systemwide. ([Columbus Dispatch](#))
- **Virginia:** Free clinics and ERs face potential overload as uninsured patients seek emergency care. ([WWBT Richmond](#))
- **Kansas:** Tens of thousands could face “impossible premium hikes,” especially in rural communities. ([Kansas Health Care Providers](#))
- **Washington:** Loss of tax credits could force layoffs, increase charity care, and hit self-employed and small business owners hardest. ([Kitsap Sun](#))

Read the full article [here](#).

President Trump Announces AstraZeneca Deal for Most-Favored-Nation Pricing

President Donald J. Trump announced a second agreement with a pharmaceutical company, AstraZeneca, to bring U.S. drug prices in line with the lowest price paid by other developed nations. The announcement follows a similar deal with Pfizer, announced at the end of last month. Both the AstraZeneca and Pfizer deals were secured after President Trump threatened tariffs on imported medicines, using that leverage to push for lower prices and expanded U.S. manufacturing. In return, AstraZeneca and Pfizer received a three-year exemption from potential drug tariffs. While the White House framed the agreements as a breakthrough on affordability, experts have said the impact on Medicaid spending would likely be modest, as the program already benefits from deep statutory discounts.

Read More

- [Announcement](#)
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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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