



## Federal Issues

### Legislative

#### 2024 Election Results

**Presidential Race:** Former President Donald Trump defeated Vice President Kamala Harris by a 312-226 electoral vote margin. Mr. Trump is also on a trajectory to win the national popular vote. Once the western states fully report their vote totals, a popular vote determination will be made. At this writing, Trump's lead over Harris is over 4.4 million votes meaning the chances of the former President prevailing on the popular vote scale are high.

Mr. Trump scored his victory in winning all seven battleground states, which include Arizona, Michigan, Nevada, North Carolina, Ohio, Pennsylvania, and Wisconsin. Therefore, the Democrats' pinning their hopes on what was formerly a "blue wall" for them, meaning Michigan, Pennsylvania, and Wisconsin, all went red in 2024.

**Senate Status:** Republicans have secured 53 seats in the new Senate.

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- **Pennsylvania:** In another razor-thin contest, it appears that Republican former hedge fund CEO David McCormick has defeated three-term Sen. Bob Casey, Jr. (D) in the biggest upset of the Senate election cycle. Mr. McCormick's half-point victory propels the Senate Republicans to 53 seats, which is likely to be very important as they face a 2026 election cycle where they must defend 20 seats as opposed to the Democrats' 13.
- **West Virginia:** Also as expected, and what became the first Democratic-held state to flip to the GOP on election night, Gov. Jim Justice (R) easily captured West Virginia's open Senate seat with a 68% vote margin. He will replace retiring Sen. Joe Manchin who served most of his career as a Democrat before leaving the party to become an Independent.
- **Delaware:** U.S. Rep. Lisa Blunt Rochester became the first woman and African American elected to represent Delaware in the U.S. Senate

**House Status:** It appears that little change will occur in the House of Representatives for the next Congress as the GOP is expected to hold its small majority and perhaps expand the margin by maybe two seats.

A total of only six seats at this writing are changing political party representation. The Democrats defeated three Republican incumbents in New York, while the GOP took down two Pennsylvania incumbents and secured an open Michigan Democratic seat.

#### **Governor**

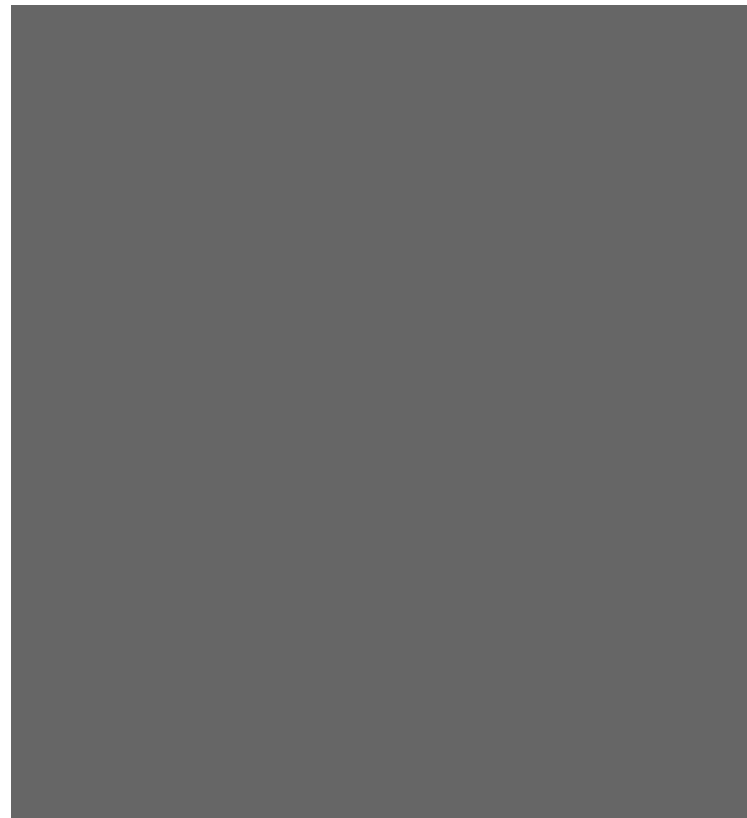
**National Recap:** Election night featured 11 gubernatorial races, and while eight of the states will have new Governors, none flipped parties. The Republicans maintained their

eight Governors' chairs while the Democrats kept the three they were risking.

The new Governors are: New Castle County Executive Matt Meyer (D-DE), Sen. Mike Braun (R-IN), Lt. Gov. Mike Kehoe (R-MO); former Senator Kelly Ayotte (R-NH), Attorney General Josh Stein (D-NC), US Rep. Kelly Armstrong (R-ND), Attorney General Bob Ferguson (D-WA), and Attorney General Patrick Morrisey (R-WV).

Re-elected Governors are: Greg Gianforte (R-MT), Spencer Cox (R-UT), and Phil Scott (R-VT).

For more election results and analysis, visit [Highmark's Get-Out-the-Vote website](#).



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## Federal Issues

Regulatory

### **CMS Releases 2025 Medicare Outpatient Final Rule**

On November 1, CMS released the 2025 Hospital Outpatient Prospective Payment System (OPPS) and Ambulatory Surgical Center (ASC) Payment System [final rule](#) outlining changes to Medicare payment rates, quality reporting requirements, and other policies.<sup>7</sup>

**Key takeaway:** CMS finalized a proposal to update payment rates for hospital outpatient provider-based departments (HOPDs) paid under the OPPS by 2.9%. The rate was calculated by reducing the projected hospital market basket increase of 3.4% by 0.5 percentage points for the productivity adjustment. The CY 2025 conversion factor will be \$89.169.

#### **Other notable updates include:**

- Adding new Conditions of Participation (CoPs) for hospital obstetrical services, including new baseline standards for the organization, staffing, and delivery of care within obstetrical units and staff training.
- Adopting three new health equity measures.

- Implementing a law that requires continuous enrollment for children enrolled in Medicaid and CHIP, requiring 12 months of continuous eligibility for children under the age of 19.
- Shortening the Medicare fee-for-service prior authorization review timeframe for standard review from 10 business days to seven calendar days for hospital outpatient department services.

**Go deeper:** See a CMS fact sheet [here](#).

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### **CMS Releases 2025 PFS Final Rule**

CMS also [released](#) a final rule that updates Medicare payment policies, reimbursement rates, and quality reporting for professional services furnished under the CY 2025 Medicare Physician Fee Schedule (PFS).

**Key takeaway:** CMS finalized a reduction of 2.93% to the Medicare conversion factor, which influences the payment rate for all services furnished under the PFS. The change to the PFS conversion factor incorporates the 0% overall update required by statute, the expiration of the temporary 2.93% increase in payment for CY 2024 required by statute, and an estimated 0.02% adjustment necessary to account for changes in work relative value units (RVUs) for some services. This amounts to an estimated CY 2025 PFS conversion factor of \$32.35, a decrease of \$0.94 (or 2.83%) from the current CY 2024 conversion factor of \$33.29.

### **Other notable updates include:**

- Expanding coverage of preventative services, including Hepatitis B vaccines and colorectal cancer screening, and implementing payment provisions for preventative Pre-Exposure Prophylaxis (PrEP) for HIV products and services.
- Adding Medicare coverage and payment for new Part B services starting January 1, 2025, including a new advanced primary care program whereby providers can be paid prospectively on a per beneficiary, per month basis for care management and virtual care services.
- Changing the Merit-based Incentive Payment System (MIPS) to add new MIPS Value Pathways addressing ophthalmology, dermatology, gastroenterology, pulmonology, urology, and surgical care. CMS also finalizes updates to MIPS scoring methodologies and measure inventories.

**Go deeper:** See a CMS fact sheet [here](#).

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### **CMS Releases Q&A on Planning Grants to Promote Continuity of Care for Medicaid- and CHIP-Eligible Individuals in Correctional Facilities**

CMS released questions and answers related to the Notice of Funding Opportunity (NOFO) making funding available to assist state Medicaid and Children's Health Insurance Program (CHIP) agencies in addressing operational barriers and promoting continuity of care for eligible individuals in jails, prisons and other correctional settings. Funds will be awarded up to 56 recipients (states and territories) for a 4-year period of

performance. \$106.5 million in funding is available for these grants, and each awardee will receive \$1-5 million over the entire period of performance. The Q&A document addresses the purpose of the NOFO, the duration of planning grants, entities eligible for the grants, and the scope of activities states could fund under the grant. [Read More](#)

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## State Issues

### Pennsylvania

Legislative

#### Pennsylvania Legislative Update

Both the House of Representatives and the Senate return to session this week for the last three days of session before sine die. Following last week's election, the House will remain under control of the Democrats by a margin of 102-101. The Senate will remain Republican controlled, 28-22. Members will spend the week conducting internal elections for leadership posts and assigning committee memberships. Members are expected to vote on several school code and tourism bills before adjourning on Thursday.

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## Industry Trends

Policy / Market Trends

### Open Enrollment: The Individual Market Is Working for Millions of Americans

AHIP posted an [article](#) highlighting how the individual market continues to deliver affordability, quality and consumer choice for millions of Americans. The individual health insurance marketplace open enrollment period for 2025 began on November 1 and will run through December 15.

#### By the numbers:

- As of January 2024, more than **21 million** Americans are enrolled in health coverage through the marketplace, with 5 million being first-time enrollees.
- **Eight in 10 Healthcare.gov customers** will be able to select coverage for **\$10 or less** per month after tax credits, an increase from 2021, when three in 10 enrollees could select such plans.
- **97% of enrollees** will have more than seven health plans available to choose among.
- Health plans have increased their presence in **eight state Marketplaces and 24 counties** compared to 2024.

**Enhanced tax credits:** For individuals purchasing their coverage directly from the individual health insurance marketplaces, the enhanced tax credits significantly lower costs. However, without action by Congress, the enhanced tax credits will expire at the end of 2025. The tax credits have been impactful for individuals with [chronic conditions](#),

in [rural communities](#), and those [not covered](#) by employer-provided coverage or another government program.

**The bottom line:** This highly competitive market offers affordable, stable options that provide a record number of Americans the health, security and peace of mind that comes with quality, affordable coverage.

**Go deeper:** The broad-based coalition Keep Americans Covered also highlighted the role of the enhanced tax credits and open enrollment in a recent [blog](#).

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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](http://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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