



Issues for the week ending November 21, 2025

Federal Issues

Legislative

Senate Holds Hearing on Health Care Costs and EPTCs

The Senate Finance Committee held a [hearing](#) titled “The Rising Cost of Health Care: Considering Meaningful Solutions for all Americans.” A video of the hearing and witness testimony are available [here](#).

Witnesses included:

- **Douglas Holtz-Eakin, Ph.D.**, American Action Forum
- **Jason Levitis**, Urban Institute
- **Brian Blase, PhD**, Paragon Health Institute
- **Bartley Armitage**, Marketplace Consumer from Eugene, Oregon

Top Issues: Key topics addressed by the 20 Senators and witnesses included debate over extending the enhanced premium tax credits (EPTCs), health care cost drivers, and options for lowering health care costs for consumers.

- **Democrats** largely focused on the timeliness of extending EPTCs during open enrollment and the marketplaces’ ability to swiftly revise the 2026 tax credit amounts available to consumers. Members included Sens. Wyden, Bennet, Cantwell, Hassan, Cortez Masto, Warren, Welch, Sanders, and Warnock.

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- **Republicans** largely favored solutions that provide consumers with direct funds for out-of-pocket costs. Members included Sens. Crapo, Grassley, Cornyn, Cassidy, Daines, Johnson, Barrasso, and Marshall.

AHIP Statement: “Health plans continue to support bipartisan solutions to lower costs for everyone. As Congress works to improve affordability for Americans, extending the enhanced premium tax credits is the timeliest way to keep high-quality, comprehensive health coverage affordable for 24 million Americans enrolled in the individual market. It’s not too late for Congress to both provide peace of mind to millions of lower- and middle-income Americans for the coming year and enact solutions to promote affordability and strengthen the individual market in the years ahead.”

Go Deeper: Read AHIP’s [statement for the record](#) & BCBSA’s [Statement for the Record](#).

The details: BCBSA’s statement also demonstrated The Blues’ leadership on affordability and focused on commonsense policies that:

- **Reinstate** cost-sharing reduction funding to lower premiums and reduce federal spending
- **Boost** consumer choice and flexibility by reforming standardized plan rules
- **Use** HSAs and FSAs to help reduce out-of-pocket costs
- **Grow** Individual Coverage HRAs to increase consumer choice and access to affordable coverage
- **Share** costs of state-mandated benefits with states and restore original scope of EHBs
- **Incentivize** younger enrollee participation to strengthen the risk pool
- **Enact** site-neutral reforms and require unique National Provider Identifiers for off-campus doctor offices

Yes, but: BCBSA cautioned against using tax-preferred accounts, such as HSAs, to distribute premium tax credits or cost-sharing reduction funds, noting this approach would pose complex administrative burdens

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Federal Issues

Regulatory

CMS Issues Guidance on Medicaid Provider Taxes

CMS released [preliminary guidance](#), with a [press release](#), for states on implementation of the provider tax provisions in H.R.1, the *One Big Beautiful Bill Act*.

Key Points:

- **Provider Taxes (Section 71115):** This provision freezes (i.e., grandfathers in) the indirect hold harmless percentage threshold of net patient revenue for certain classes/services of health care related taxes “enacted and imposed” as of July 4, 2025.
- **Phase Down in Expansion States:** The guidance also explains the provision in Section 71115 that phases down the hold harmless threshold in expansion states starting in federal fiscal year 2028. CMS intends to gather more data to ensure the new thresholds are applied appropriately.
- **Updated Waiver Rules (Section 71117):** The provision revises tests for determining if a health care-related tax will be considered generally redistributive and thus eligible for a waiver of the broad-based and uniformity requirements.

Why this matters: In this guidance, CMS identifies managed care taxes as a significant area in which states have exploited statistical loopholes to deem taxes “generally redistributive,” and sets a calendar year (CY) 2026 deadline for amending or eliminating these taxes. **As a result, managed care plans in impacted states may see changes to their tax burden in the coming year. If impacted states respond by increasing commercial market taxes without allowing adequate time for rate adjustments, premium rates may be insufficient to account for added tax costs.**

- In addition, this guidance will help determine whether states’ existing taxes may be grandfathered in at current rates. States with taxes that are not considered enacted and imposed by July 4, 2025 under this guidance will need to identify alternate sources of funding or reduce Medicaid expenditures to account for the loss of tax revenue.
- The guidance describes the transition period for states that must phase out or amend provider taxes that are not “generally redistributive.” These states have previously been identified as California, Illinois, Massachusetts, Michigan, **New York**, Ohio, and **West Virginia**.
 - **For taxes on managed care organizations that are not generally redistributive and were approved before July 4, 2025,:** States will have until the end of the state fiscal year ending in calendar year (CY) 2026 to sunset or amend the tax. Most of the impacted states have fiscal years that end on June 30, 2026, except New York, which ends on March 31 and Michigan, which ends on Sept. 31. CMS notes that this is the minimum transition period that states will have to bring non-compliant waivers into conformity with the new definition of “generally redistributive”

- **For all other provider taxes that are not generally redistributive:** States will have until the end of the state fiscal year ending in CY 2028, but no later than Oct.1, 2028 to sunset or amend the tax.
 - CMS notes that this guidance is preliminary and a final rule will follow.
 - **Industry Perspective:** Notably, this guidance does not fully align with recommendations from BCBSA and peer trade associations who, in comments submitted on the related proposed rule, advocated for a three-year transition period for all impacted states and taxes.
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"Black Box" Warning Removed from Hormone Replacement Therapy

HHS [announced](#) action to remove the “black box” warnings from hormone replacement therapy (HRT) products used for menopause. HHS also released a [fact sheet](#) to accompany the announcement.

Background: Since the early 2000s, the FDA has included a warning that these products can increase the risk of breast cancer. The announcement follows a comprehensive review of scientific literature, an expert panel, and a public comment period. The FDA concluded that the inclusion of the warning was based on a faulty study that resulted in women and physicians having an incomplete view of HRT.

Next Steps:

- The FDA is working with manufacturers of the products to update language in labeling to remove references to cardiovascular disease, breast cancer, and probable dementia. The FDA is not seeking to remove the boxed warning for endometrial cancer for systemic estrogen-alone products.
 - The FDA also announced that it is approving two new drugs to expand treatment options for symptoms of menopause – a generic version of Premarin (conjugated estrogens), and a non-hormonal treatment for moderate to severe vasomotor symptoms.
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CMS Announces Information Sharing with Department of Homeland Security

The Centers for Medicare & Medicaid Services (CMS) [announced](#) that it will share certain information collected by CMS in its role administering the Medicaid program with the Department of Homeland Security (DHS) and its component agency the U.S. Immigration and Customs Enforcement (ICE). The information, to be provided to ICE upon request, is designed to advance administration immigration priorities as reflected in a series of Executive Orders. Examples of information that CMS may share include citizenship and immigration status, location, and phone numbers. Other information could be shared on a case-by-case basis as permitted by law.

The notice discusses the legal authority and purposes for the information-sharing. It also acknowledges that “states, providers, beneficiaries, health insurance issuers, other regulated entities, and the general public” may have relied on past CMS statements that Medicaid information collected by CMS would only be used for program administration purposes and not for immigration enforcement purposes. The notice concludes that such reliance interests are entitled to “little to no weight.”

The notice does not provide an opportunity for comment. CMS expects the notice to be published in the Federal Register on 11/25/2025.

Department of Homeland Security Releases Proposed Public Charge Rule

DHS released a [pre-publication version](#) of proposed changes to the public charge ground of inadmissibility regulations. The proposed rule has a general comment period of 30 days from the date of publication in the Federal Register, November 19.

- **Background:** In general, the DHS regulations determine standards to be used in determining whether a noncitizen requesting admission to the U.S. or applying for lawful permanent residence (a “green card”) can be denied on the grounds the person is likely to become a public charge. The proposed rule is the latest development affecting public charge standards that have changed frequently in recent years.
- A final rule issued by the first Trump Administration in 2019 modified DHS rules to add the receipt of Medicaid and certain other types of non-cash public benefits as a factor for determining public charge inadmissibility. The rule led to numerous lawsuits. DHS began implementation of the rule in February 2020, but the Biden Administration in March 2021 announced it would no longer defend the rule in court and published a notice formally withdrawing the rule.
- DHS issued a new rule in 2022 that modified the factors that can be considered, including preventing the consideration of Medicaid benefits (except for long-term institutionalization at government expense, e.g., residing in a nursing home).

Proposed Changes: The new proposed rule would remove the current public charge inadmissibility regulations. DHS indicates that it will subsequently formulate policy and interpretive tools that will allow for consideration of a variety of factors and remove limits on the types of public resources that can be used in determining if a person is likely to become a public charge.

Note that the reconciliation legislation enacted in July eliminates, effective October 1, 2026, Medicaid eligibility for most categories of lawfully present noncitizens other than green card holders, including individuals with refugee status and asylum seekers.

CMS Releases 2026 ESRD Final Rule

On Thursday, Nov. 20, the CY 2026 End-Stage Renal Disease (ESRD) Prospective Payment System (PPS) [final rule](#) and [fact sheet](#) were published. CMS will increase the ESRD PPS base rate to \$281.71, which CMS estimates as an increase of approximately 2.2% across settings. In addition, CMS removed 23 questions, shortening the In-Center Hemodialysis Consumer Assessment of Health Providers and Systems (ICH CAHPS) survey. They are also eliminating three health equity reporting measures from the ESRD Quality Incentive Program (QIP). CMS is also finalizing the early termination of the [ESRD Treatment Choices Model](#).

CMS Releases 2026 Medicare Parts A & B Premiums and Deductibles

On Friday, Nov. 14, the Calendar Year (CY) 2026 premiums, deductibles and coinsurance amounts for the Medicare Part A, Medicare Part B, and Medicare Part D income-related monthly adjustments were [announced](#).

- The Part B standard monthly premium is increasing 9.7% over 2025, from \$185.00 to \$202.90 and the annual Part B deductible is increasing 10.1% over 2025, from \$257 to \$283.
- The Part A deductible is increasing 3.6% over 2025, from \$1,676 to \$1,736.

Additional income-related monthly adjustment amounts for Part B and Part D were also announced in the CMS fact sheet.

State Issues

New York

Legislative

Legislative Update

Governor Hochul received and signed the bill mandating coverage for one rescue and one maintenance asthma inhalers used for the treatment of asthma with no cost sharing (A.128-A/S.1804-A).

A few bills of interest to plans still have not been sent to the Governor for consideration. These include:

- A.2141/S.929 – the Health Information Privacy Act.
- A.1195-A/S.2000-A – Mandates health insurance coverage for follow-up screening or diagnostic services for lung cancer.
- A.3319/S.1001 – Requires outpatient care provided by creative arts therapists be included in certain insurance policies.
- S.8265-A/A.6314-A -- Mandates large group coverage of “backup” devices for patients with cochlear implants.
- A.3986-A/S.2105-A – Requires health plans to provide notice of a fee when using a credit card, virtual credit card or other electronic fund transfers to make payments to a provider and offer an alternative that does not include fees.
- A.7038-A/S.6897-A – Requires the Office of Mental Health (OMH) and the Office of Addiction Services and Supports (OASAS) to publish a fee schedule for commercial health plans to utilize in reimbursing services for outpatient mental health and substance use disorder treatment at certain in-network facilities.

State Issues

Pennsylvania

Legislative

Legislative Update

The House Health Committee will be held a voting meeting on Tuesday to consider a package of bills expanding the Newborn Child Screening and Follow Up Program under the Department of Health to include Gaucher Disease as well as Duchenne Muscular Dystrophy. Additionally, they will consider **House Bill 1043**, which would update the School Code to allow for new types of epinephrine delivery systems to be used in public schools. All three bills passed the committee unanimously and received first consideration in the House before being tabled.

On Wednesday, the House Aging & Older Adult Services Committee held a public hearing on **House Bill 1670**, Representative Hanbridge's legislation mandating the coverage of hearing aids. No vote on the legislation has been scheduled by the committee.

The House of Representatives passed several pieces of legislation last week.

- **House Bill 1161** by Representative Guzman amends Title 5 (Athletics and Sports) to allow physician assistants and certified registered nurse practitioners, in addition to physicians, to serve as the on-site medical professionals at professional wrestling contests or exhibitions. This legislation was requested by FIFA ahead of 2026 World Cup matches being held in Philadelphia. The bill has been referred to the Senate for its consideration.
- **Senate Bill 88**, by Senator Farry, which would amend the Insurance Company Law of 1921 to require health insurance companies to cover diagnostic breast examinations at no cost to the covered individual passed the House by a vote of 196-7. The bill, which was passed without amendment, has been sent to Governor Shapiro who is expected to sign the legislation into law this week.
- **House Bill 1961** by Representative Merski would authorize Pennsylvania to join the Physician Assistant Licensure Compact, aimed at enhancing portability of physician assistant licenses. This bill passed the House unanimously and has been referred to the Senate for its consideration.

After both chambers are adjourned until December 8, with the Senate holding a 3-day voting session and the House returning for a 3-day non-voting session.

Regulatory

Shapiro Administration Unveils Rural Health Transformation Plan to Improve Rural Health Care Services, Recruit More Health Care Professionals in Rural Communities

The Shapiro Administration unveiled its Rural Health Transformation Plan (RHTP), which serves as Pennsylvania's application for support from the federal Rural Health Transformation Fund and comprehensive plan to support innovation and improve access to essential health services in rural communities so Pennsylvanians of all ages can access timely, high-quality care close to home.

Why this matters: If approved by the federal government, the RHTP will provide up to **\$200 million per year for five years** to improve health care access, quality, and outcomes in rural communities across Pennsylvania. The funding will be used to make investments that allow rural health providers to better use technology to support access to high-quality, evidence-based care. This work will also be focused on supporting the rural health workforce through recruitment and retention initiatives that help people at all levels of the health care system grow their career in rural communities. Pennsylvania's RHTP will strengthen rural health care and bolster overall economic development by building systems of care that can support growing communities.

[The plan is available on DHS' website.](#)

Background: In the reconciliation bill that President Trump signed into law on July 4, 2025, Congress established \$50 billion in five-year, one-time grants designed to support rural health. The federal budget bill outlines that \$100 million of this funding will be distributed equally among states. All other funding will be allocated at the discretion of CMS based on submitted applications, and funding cannot be used to supplant federal funding otherwise lost from other cuts and program changes. CMS will decide on states' RHTP applications by December 31, 2025.

The Commonwealth's RHTP initiatives focus on:

- **Technology & Infrastructure**, including the use of consumer-facing applications that support easy access to primary and specialty care;
- **Workforce**, including supporting incentives like upfront scholarships, mentoring, short-term housing, and stipends based on a five-year commitment to service in rural communities;
- **Maternal Health Services** to provide comprehensive care management and navigation between prenatal and postpartum care, behavioral health, and other services to support safe and healthy pregnancies and parenting;
- **Behavioral Health Services** like expanding 988 services & continuing public education on crisis response services;
- **Aging and Access** to facilitate safe transitions from hospitalization to care at home and support quality of care in rural long-term care facilities; and
- **EMS & Transportation** to modernize rural EMS infrastructure to improve efficiency and sustainability.

Industry Trends

Policy / Market Trends

In Apples-to-Apples Comparison, the Facts are Clear: Medicare Advantage Outperforms Fee-for-Service Medicare

A new [analysis](#) by Wakely Consulting Group finds MA continues to outperform FFS Medicare on cost.

By the Numbers: Wakely finds that **FFS costs would be 9.8% higher** if FFS beneficiaries were required to be enrolled in both Part A and Part B, and if FFS were required to provide a maximum out-of-pocket limit – *both of which are required under MA*.

Why this matters: Policymakers need accurate data and sound analyses when considering policy changes affecting the **more than 35 million seniors** who choose MA for their health coverage because it provides **better care at lower costs than FFS**.

- For several years, Wakely has analyzed FFS Medicare costs that are used in comparisons of spending between FFS and MA. The analytic adjustments in Wakely's updated analysis, using 2023 data, are *necessary* to ensure FFS and MA costs are compared on an "apples-to-apples" basis.
- Wakely's updated analysis builds upon a growing body of evidence that strongly disputes assertions, including those from MedPAC, regarding alleged favorable selection and coding intensity in Medicare.

The Bottom Line: When appropriate comparisons between MA and FFS are made, **the evidence is clear: Medicare Advantage is more effective and efficient at managing costs than FFS Medicare**.

- That's why AHIP & BCBSA supports proposals like the [Apples-to-Apples Comparison Act](#), which would guarantee the use of accurate data and methodology in the government's comparisons of the MA and FFS programs.

Go Deeper: Read Wakely's full analysis [here](#).

New Data: AHIP's 2025 State-to-State Health Coverage Report

AHIP's new [report](#) on health coverage state-by-state offers a detailed view of the essential role of health plans in communities nationwide.

Key highlights include:

- Number of people covered by market.
- Total **number of jobs** supported directly and indirectly by health plans.
- **Average wages and state taxes** contributed.
- Tax revenues paid to **support the local economy**.
- **Individual marketplace coverage details** including the average month premium tax credit and growth in enrollment since 2020.

What They're Saying: "Health plans support the health and well-being of Americans in all 50 states by delivering high-quality coverage and doing everything they can to shield consumers from the rising cost of care." – Mike Tuffin, AHIP President and CEO.

Go Deeper: Read the full report and interactive map [here](#).

Coalition Spotlights Brand Drugmakers' DTC Social Media Advertising

CSRxP is highlighting new [research](#) published in the *Journal of the American Medical Association (JAMA)* Network that found drugmakers are increasingly investing in direct-to-consumer (DTC) advertising through influencer content and digital strategies.

What's Happening: These social media posts look like ordinary personal stories or health tips, but function as marketing designed to drive up consumer demand for high-priced, blockbuster drugs.

By the Numbers:

- The research analyzes **740 “high-engagement” social media posts** – largely from influencers – totaling **5 million views** as of January 2025.
- **1%** of the posts made efficacy claims.
- **4%** of the posts mentioned risks or adverse effects.
- **3%** were efficacy-claim posts that also included risk information.

Why this matters: The *JAMA* study highlights how this playbook allows drug manufacturers to sidestep guardrails that apply to television or radio advertising set by FDA and FTC designed to protect consumers from misleading claims.

Go Deeper: Read CSRxP's analysis on the taxpayer cost of DTC advertising [here](#).

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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