

Impact Health Policy Weekly

Framing the week

As the impacts of the government shutdown intensify, the Senate is planning votes on several bills this week, including a Sen. Cruz (R-TX) bill to pay air traffic controllers, a Sen. Sullivan (R-AK) bill to pay the military, and a compromise bill between Sen. Johnson (R-WI) and Sen. Van Hollen (D-MD) to pay federal workers and active-duty military. This comes ahead of the anticipated lapse in funding for the Supplemental Nutrition Assistance Program (SNAP) and open enrollment for Affordable Care Act (ACA) marketplace on November 1. As far as an off ramp out of the shutdown, both sides remain strong on their positions and no compromise on the enhanced premium tax credits has emerged. Additionally, any bill to ease the pain of the shutdown could further extend the length of the shutdown.

Update on Medicare Fee-for-Service (FFS) Claims Processing

On October 21, 2025, CMS [announced](#) it is lifting the hold on most Medicare FFS claims that had been paused following the September 30 expiration of several statutory payment “extenders.” Medicare Administrative Contractors (MACs) have been instructed to resume processing claims for:

- Ground ambulance transports,
- Federally Qualified Health Centers (FQHCs), and
- Behavioral and mental health telehealth services.

Additionally, services paid under the Physician Fee Schedule in localities with a Geographic Practice Cost Index (GPCI) below the 1.0 floor for work RVUs will now be paid, though at slightly reduced rates, unless Congress acts to restore the GPCI floor retroactively. Of 109 localities, more than 50 have GPCIs below 1.0 (see full list [here](#)).

Claims for non-behavioral telehealth and Acute Hospital Care at Home services remain on hold pending potential congressional action to reauthorize those flexibilities.

Additionally, in updated [FAQs](#) issued October 15, 2025, CMS confirmed that for beneficiaries who began home-based behavioral/mental health telehealth services on or before September 30, 2025, the usual 6-month prior in-person visit requirement is not applied. Instead, those patients will need at least one in-person, non-telehealth visit every 12 months. For other patients initiating telehealth after that date, the 6-month prior in-person visit requirement remains in force. CMS also notes that for behavioral health services furnished via telehealth by RHCs and FQHCs in the patient’s home, the in-person requirement is delayed until January 1, 2026.

Regulatory Update

The Office of Management and Budget (OMB) completed reviewing the following:

- **Medicaid and Immigration Status.** A [final rule](#) titled, “Medicaid Eligibility Changes Under the Affordable Care Act of 2010; Giving States Freedom to Use Immigration Information to Determine

State Residency for Medicaid Eligibility.” The final rule is part of the Trump administration’s efforts to [increase federal oversight](#) on states using Federal Medicaid funding for the health care of undocumented immigrants.

OMB is also reviewing the following:

- **Medicare:**
 - **CY 2027 Medicare Advantage/Part D Policy.** [Proposed CY 2027 policy and technical changes](#) to Medicare Advantage, Medicare Prescription Drug Benefit, Medicare Cost Plan, and PACE
 - **Medicare Payment Rules.** The CY 2026 Physician Fee Schedule [final rule](#), the CY 2026 Hospital Outpatient PPS [final rule](#), the CY 2026 ESRD [final rule](#), and the CY 2026 Home Health PPS [final rule](#).
 - **Procurement of Domestic PPE.** An [advance notice of proposed rulemaking](#) that would detail program incentives and requirements for Medicare providers and suppliers to invest and phase-in the procurement of American made personal protective equipment (PPE) and essential medicine to secure our nation’s health and safety.
- **Medicaid:**
 - **Gender-Affirming Care.**
 - A [proposed rule](#) titled, “Medicaid Program; Prohibition on Federal Medicaid Funding for Sex Trait Modification Procedures Furnished to Children and Youth.”
 - A [proposed rule](#) titled, “Medicare and Medicaid Programs; Hospital Condition of Participation: Limiting Participation Based on the Performance of Sex Trait Modification Procedures on Children.”
 - **State Directed Payments.** A [proposed rule](#) titled, “Medicaid Managed Care-State Directed Payments.” The proposed rule appears intended to advance a [presidential memorandum](#) released on June 6, which directs HHS to “eliminate waste, fraud, and abuse in Medicaid, including by ensuring Medicaid payments rates are not higher than Medicare, to the extent permitted by applicable law.”
- **Prescription Drugs:**
 - A [proposed](#) rule titled, “Improving Transparency into Pharmacy Benefit Manager Fee Disclosure” and a [proposed rule](#) addressing Transparency in Coverage requirements.
 - **CMMI Drug Pricing Models.** A [proposed rule](#) for a Global Benchmark for Efficient Drug Pricing (GLOBE) Model and a [proposed rule](#) for Guarding U.S. Medicare Against Rising Drug Costs (GUARD) Model
- **Nutrition:**
 - **Head Start.** A [notice](#) from the Administration for Children and Families titled, “Publish Request for Information: Nutrition Services in Head Start Programs
- **Immigration:**
 - **Unaccompanied Children.** An [interim final rule](#) titled, “Unaccompanied Children Program Foundational Rule; Update to Include Proof of Identity and Income Verification Standards.”

Tue. (10/28)

- **7:45am – Hill Discussion: Medicare Prescription Drug Benefits** – The Hill holds a discussion on the future of Medicare prescription drug benefits, including changes for 2026, and the impact of drug price negotiations. [Details.](#)
- **10:00am – Congressional Black Caucus Foundation Discussion: Black Homeownership and Housing Equity** – The Congressional Black Caucus Foundation holds a discussion titled "A Place to Prosper: Expanding Black Homeownership and Housing Equity," part two of the Policy for the People Economic Advancement Summit. [Details.](#)

Wed. (10/29)

- **10:00am – Hearing: HHS OIG Nomination** – The Senate Finance Committee holds a hearing to consider nominees for Social Security, the United States Trade Representative (USTR), and for Thomas Bell to be Inspector General for the Department of Health and Human Services (HHS). [Details.](#)
- **10:00am – Hearing: Future of Biotech** – The Senate Health, Education, Labor, and Pensions Committee holds a hearing to examine the future of biotech, focusing on maintaining U.S. competitiveness and lifesaving cures to patients. [Details.](#)
- **10:00am – Hearing: Big Tech Censorship** – The Senate Commerce, Science, and Transportation Committee holds part two of a hearing to examine Big Tech censorship. The hearing will expand on Sen. Ted Cruz's (R-TX) [report](#) accusing the Biden administration's Cybersecurity and Infrastructure Security Agency (CISA) of conducting a censorship campaign. [Details.](#)
- **1:00pm – Urban Discussion: Opportunity Zones** – The Urban Institute holds a discussion on the extension and revision of Opportunity Zones, the nation's largest economic development program, and inform how states should decide which places to nominate and how city and county officials and other local stakeholders can help states make strong decisions. [Details.](#)
- **2:00pm – Hearing: RIF Impact on Native Communities** – The Senate Indian Affairs Committee holds a hearing to examine impacts of government shutdowns and agency reductions in force on Native communities. [Details.](#)

Thurs. (10/30)

- **10:00am – Hearing: HUD and FDIC Nominations** – The Senate Banking, Housing, and Urban Affairs Committee holds a hearing to examine the nomination of Francis Cassidy to be an Assistant Secretary of Housing and Urban Development (HUD), and Travis Hill to be Chairperson of the Board of Directors of the Federal Deposit Insurance Corporation (FDIC) for a term of five years. [Details.](#)
- **11:00am – Hearing: Surgeon General Nomination** – The Senate Finance Committee holds a hearing to examine the nomination of Casey Means to be Medical Director in the Regular Corps of the Public Health Service, and to be Surgeon General of the Public Health Service for a term of four years. [Details.](#)
- **1:00pm – BPC Discussion: Child Care Financing** – The Bipartisan Policy Center (BPC) holds a discussion with practitioners and experts on how innovative financing models, with support from

policymakers and comprehensive data, can build a child care ecosystem that works for parents, employers, and the economy. [Details.](#)

- **Meeting: MACPAC** – The Medicaid and CHIP Payment and Access Commission (MACPAC) holds a public meeting to discuss Medicaid and CHIP payment and policy issues. [Details.](#) ***The meeting is likely to be cancelled due to the government shutdown***

Fri. (10/31)

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Featured Analysis

- **Impact Health Government Shutdown Risks and Implications** – In Policy Hub [here.](#)
- **Impact Health Spring 2025 Regulatory Outlook** – In Policy Hub [here.](#)
- **Insight for Impact: Vaccine Policy Under RFK Jr.** – In Policy Hub [here.](#)
- **OBBA Medicaid Provisions and Timeline for Implementation** – In Policy Hub [here.](#)
- **Changes to ACA Premium Tax Credit Policy in 2026 and Beyond** - In Policy Hub [here.](#)

Congressional Lookback

Thurs. (10/23)

- **The Senate HELP Committee** held a [hearing](#) to examine the growth of the 340B Drug Pricing Program. [Details.](#)

Tues. (10/21)

- **The Senate Special Committee on Aging** released a [report](#) titled “Protecting Seniors’ Access to Essential Medications: Securing the Foreign Generic Pharmaceutical Supply Chain.” [Details.](#)

Regulatory Lookback

Fri. (10/24)

- **The USDA FNS** circulated a [memorandum](#) obtained by reporters saying that it cannot use contingency funds to pay for SNAP benefits in November and it cannot reimburse states that choose to make up the funding gap. [Details.](#)

Thurs. (10/23)

- **CMMI** released an [operational guide](#) for providers and suppliers impacted by the [Wasteful and Inappropriate Service Reduction \(WISeR\) model.](#) [Details.](#)
- **Federal District Judge of Illinois** [temporarily blocks](#) RIFs during government shutdown. [Details.](#)

Comment & Application Deadlines

- **November 3:** The FTC issued an [RFI](#) to examine the use and impact of employer noncompete agreements and to help shape potential future enforcement actions. [Details.](#)
- **November 5:** CMS released a [NOFO](#) for the [Rural Health Transformation \(RHT\) Program](#). [Details.](#)
- **December 1:** The FDA issued an [RFC](#) to gather input on how AI-enabled medical devices perform in clinical settings after deployment. [Details](#)
- **June 3:** CMMI released a [NOFO](#) for the second cohort of the Innovation in Behavioral Health Model. [Details.](#)