



Issues for the week ending February 21, 2025

Federal Issues

Legislative

Congress Inches Forward on Budget Resolution

Both the House and Senate are moving forward with different strategies to move forward with a budget resolution and reconciliation package, expected to advance President Trump's priorities related to border security, energy independence, and tax reform. Last week President Trump expressed support for the House's "one-bill" approach as opposed to the Senate approach that envisions two bills, one that would advance border security and energy in the short term, followed by a tax reform package later in the year.

Why this matters: House Speaker Mike Johnson (R-LA) will try to build on that momentum by bringing the single bill proposal to the floor this week. The House package increases the debt ceiling, directs a \$2 trillion reduction in mandatory spending over 10 years and authorizes up to \$4.5 trillion in tax cuts. If passed, authorizing committees will develop and consider legislation to reach those targets, which could include cuts to Medicaid and other health care changes.

Nonetheless, the Senate passed its [2025 budget resolution](#) by a 52-48 vote late last week after an all-night marathon of votes on dozens of amendments.

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The resolution focused on border security, energy and defense, leaving tax cuts to be tackled later in the year. Given Trump's support for the House effort, this is now likely to be considered only as a fallback plan.

Yes, but: Last year's business remains unfinished. Little progress has been made in reaching a topline deal for 2025 appropriations as the March 14 deadline quickly approaches. With time running out, it is uncertain if negotiators will reach an agreement, opt for another continuing resolution, or face a government shutdown.

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GOP Hispanic Conference Raises Concerns Over Medicaid Cuts

On February 19, members of the [Congressional Hispanic Conference](#), a House Republican caucus, sent a [letter](#) to Speaker Mike Johnson (R-LA) expressing support for President Trump's agenda while raising concerns over certain policies in the proposed budget resolution, including the potential for significant cuts to Medicaid.

Key Quote: "Nearly 30% of Medicaid enrollees are Hispanic Americans, and for many families across the country, Medicaid is their only access to health care. Slashing Medicaid would have serious consequences, particularly in rural and predominantly Hispanic communities where hospitals and nursing homes are already struggling to keep their doors open."

Signatories include Reps. Tony Gonzales (R-TX), Monica De La Cruz (R-TX), David Valadao (R-CA), Juan Ciscomani (R-AZ) Rob Bresnahan (R-PA), Nicole Malliotakis (R-NY), James Moylan (R-GU), and Kimberlyn King-Hinds (R-MP).

Federal Issues

Regulatory

President Trump Signs IVF Executive Order

On February 18, President Trump signed the "Expanding Access to In Vitro Fertilization" [Executive Order](#) (EO), which seeks to reduce barriers to IVF treatment and improve affordability.

The EO directs the White House Domestic Policy Council to submit to the President within 90 days “a list of policy recommendations on protecting IVF access and aggressively reducing out-of-pocket and health plan costs for IVF treatment.” We will carefully monitor implementation of the EO and share updates in the future.

HHS Releases “Defining Sex” Guidance for Federal Agencies, External Partners, and the Public

On Wednesday, February 19, 2025, the Department of Health and Human Services (HHS) [released guidance](#) on defining sex in compliance with direction handed down from President Trump in the [January 20, 2025 Executive Order](#) entitled “Defending Women From Gender Ideology Extremism and Restoring Biological Truth to the Federal Government.” The guidance contains definitions for ‘sex’, ‘female’, ‘male’, ‘woman’, ‘girl’, ‘man’, ‘boy’, ‘mother’, and ‘father’.

State Issues

New York

Regulatory

DFS Regulations Issued

The Department of Financial Services issues two regulations last week.

- **Network Adequacy and Access Standards for MH and SUD** – The Department of Financial Services posted the [final approved regulation](#) outlining the standards required for plans for network adequacy for mental health and substance use disorder treatment services. Other than a new effective date – July 1, 2025 (versus 120 days after publication) – there were no substantive changes made to the final regulation. The Department of Health’s companion regulation on this subject is still pending final approval.
 - **Disability Circular Letter** – DFS also published [Circular Letter No. 1 \(2025\)](#) that speaks to the types of government benefit offset provisions that are permissible in individual, group, and blanket disability income insurance policies and warns that insurers should review existing policies to ensure compliance and submit any revised policy forms or amendments to the Department’s Health Bureau for review and approval within 60 days of the date of the CL.
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2026 Individual and Small Group Rate Setting

The Department of Financial Services hosted a meeting of plan actuaries last week to begin discussions on the 2026 Individual and Small Group rate filing process. Staff reviewed changes to the 2026 Standard Plan Designs, which are necessary because existing standard plans no longer meet required actuarial values. Staff said they intend to require the use of 2024 data as the starting point for rate development as well as requiring 2024 risk adjustment results as the starting point for purposes of developing the 2026 risk adjustment assumption.

There was also discussion of certain factors and their impact on 2026 rates. This includes the Insurer Reimbursement Implementation Plan that enabled New York to use surplus passthrough funding from its 1332 waiver to provide a reimbursement to insurers in lieu of approving higher premiums in the individual

market, and the expiration of individual market subsidies under the American Rescue Plan. Representatives from the Department of Health also joined to provide an update on implementation of the MCO Tax, informing plans that the Department would host a webinar and provide guidance for plans once the FY26 state budget is enacted.

The timeline for the 2026 rate process was also reviewed, which includes the following key dates:

- May 15 – rate filings due to DFS
- May 30 – tentative date for DFS to post applications
- June 9 – tentative start of the public comment period
- August 4 – rate decisions due

August 15 – estimated date for DFS to announce and post rate decision

State Issues

Pennsylvania

Legislative

Legislative Session Update: Budget Hearings

The House and the Senate budget hearings continue during the February and March break. The Department of Aging is scheduled to appear before the House Appropriations Committee this week, with the PACE Program funding mechanism expected to receive attention from the Appropriations Committee members.

- **Rural Hospitals:** In last week's House and Senate hearings with the Department of Health, Secretary Bogen and Executive Deputy Secretary Rodack received multiple questions regarding the long term fiscal security for rural hospitals. Secretary Bogen continually highlighted Governor Shapiro's funding plan, including the proposed \$10 Million in state funding for rural hospitals, as well as the Governor's plan for increased scrutiny and review towards the sale of health care facilities to private equity firms.
 - **Maternal Health:** Secretary Bogen received multiple questions regarding the Black Maternal Caucus' "Momnibus" bills, with members highlighting the need for further maternal care. Secretary Bogen said the administration would review all proposals with great care and would comment on the legislation as it is introduced rather than a package as a whole.
 - **EMS:** Additionally, Secretary Bogen fielded questions regarding EMS delivery and fiscal shortfalls within the system across the state. The Secretary did not commit to any specific legislation regarding funding, but did highlight the work the Bureau of EMS was doing with part time staffing to help reduce Emergency Department wait times and the positive impact of the passing of legislation last session to increase and extend the qualifying number of agencies for PEMA and Office of the State Fire Commissioner operational grants.
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State Issues

West Virginia

Legislative

Legislative Update

The 2025 Regular Session of the West Virginia Legislature is now nearly 20 percent of the way through its 60-day term and there have been more than 1,300 bills introduced in the Senate and House of Delegates.

A summary of the status of proposed legislation impacting health care:

- **Genetic Testing:** The Senate Health Committee this week advanced **SB 28** on to the Senate Finance Committee for further consideration concerning a proposal to mandate private, PEIA and Medicaid coverage of genetic testing in certain circumstances. The bill was pushed through by Senate Health Chairman Laura Chapman of Wheeling without any consideration of potential costs to the state health plans or on commercial customers. Highmark has serious concerns with this bill but at this point, it appears that the Senate Finance Committee will not be placing it on its agenda.
- **Breast Screening Mandate:** Senator Chapman of also this week advanced **SB 430** on to the Finance Committee regarding a mandate for breast screening that also applies to the public health plans as well as to commercial plans. Highmark has no objections to this proposal as its coverage already includes the items proposed in the legislation.
- **Coverage Mandate for Non-Opioid Pain Treatment:** The issue of mandating coverage of the newly FDA approved Vertex Pharmaceuticals product for non-opioid treatment of acute pain (**SB 248**) was discussed in the Public Health subcommittee of the House Health Committee this past week—even though no bill on the subject has been introduced in the House to this point.
- **Fetal Testing During Pregnancy:** Senator Patricia Rucker of Harpers Ferry in the far eastern panhandle has **introduced SB 296**, proposing to mandate coverage for certain types of fetal testing during pregnancy. Highmark already covers these tests but the senator is targeting the Public Employee Insurance Agency for this proposed mandate. It is not yet clear whether she will push this bill forward and whether she will keep commercial plans within its provisions, even though it appears that all commercial plans do pay for these tests.
- **Dental Loss Ratio:** There are now bills in both the Senate and the House of Delegates proposing to mandate dental coverage plan loss ratios in the law (**SB 433, HB 2690, HB 2785**). The Senate bill has been referred to the Senate Banking & Insurance Committee, which is chaired by Senator Mike Azinger of Parkersburg. Senator Azinger has opposed the DLR legislation in the past and is not expected to be favorable toward the proposal in 2025. The DLR bills in the House of Delegates have been referred to the Banking & Insurance Subcommittee of the House Finance Committee, where subcommittee chairman, Delegate Walt Hall of the Charleston area will have jurisdiction over the proposals. In light of the retirement of former long-time House Insurance Chair Steve Westfall, Delegate Hall has been named as West Virginia's lead representative to NCOIL and, as such, is very supportive of the model NCOIL bill.

- **Remote Patient Outcome Improvement Act: HB 2557** is a repeat of failed legislation from 2024 proposing to create the “Remote Patient Outcome Improvement Act” to facilitate health plans and telecom providers in bringing online access for telemedicine purposes—something that could already be done on a business to business basis without legislation. Both the insurance and telecom sectors remain united in their opposition to this proposal on the basis that it creates the platform for the establishment of a future coverage mandate for both entities to fulfill.
- **Confidentiality: SB 568** was introduced on Friday at the request of the Insurance Commissioner proposing to establish confidentiality over information gathered by OIC during the course of market conduct examinations. The bill has a single reference to the Azinger Committee in the Senate. No companion bill has been proposed in the House at this point.
- **School Immunization Requirements:** The Senate has passed by a vote of 20-12-2 SB 460, which would dramatically modify the state’s school immunization requirements. How this bill will be considered in the House is unknown at this time but it is clear that there will be a legislative and legal fight over this bill because the Bishop of the Roman Catholic Diocese of West Virginia has made it clear that the Diocese intends to maintain its mandatory immunization requirement for its school system and that it will challenge any legislation in court that threatens the right of the Diocese to have this policy. The Committee refused to accept Governor Morrissey’s recommendation that private, religious and parochial school systems maintain the right to require student immunizations if they so chose and the committee also rejected the Governor’s proposal to compile aggregated data on the number of unvaccinated students in schools. Additionally, the Health Committee chose to essentially eliminate the medical exemption process currently available to parents of school students by removing the State Public Officer from having any authority to review a medical exemption request in favor of allowing a student’s health provider to have independent authority to grant a medical exemption. All of these items outside of Governor Morrissey’s original proposal will likely be met with a more skeptical acceptance in the House of Delegates—even though there is overwhelming support for creating a religious and philosophical exemption right for parents.
- **Certificate of Need:** The House of Delegates has begun deliberations on Governor Morrissey’s proposed bill to completely repeal the Certificate of Need process applicable to hospitals and other related healthcare services. The state’s three major hospital systems and its trade association are in opposition to the Governor’s legislation and the House Health Committee has already devoted multiple hours to holding hearings and receiving testimony from hospital representatives and a host of conservative think tank consultants from around the county. The committee will likely begin work in earnest on this topic this week.

Industry Trends

Policy / Market Trends

Health Care Tax Credits Benefit a Wide Range of Americans

A new [blog post](#) from the Keep Americans Covered (KAC) coalition highlights the wide range of different populations who benefit from the enhanced premium tax credits that make coverage more affordable on the individual market.

By the Numbers:

- More than 24 million working Americans benefit from a health care tax credit to afford their health coverage.
- If those credits go away, costs go up. Premiums would go up so much that five million Americans will be forced out of coverage entirely.

Who's Impacted:

- People who rely on these tax credits can least-afford a disruption in their health coverage, such as older Americans on a fixed income. For example, a 60-year-old couple making around \$80,000 a year will see their annual premiums soar by \$17,000 if Congress lets the credits expire.
- Families are looking at the prospect of big price hikes. For a family of four with parents in their 40s who make in the neighborhood of \$125,000 per year, annual health care costs would jump by \$10,000 a year.
- One in five small business owners and self-employed workers rely on the marketplaces for coverage, including many in rural and farm communities. These tax credits give small business owners, independent contractors and gig workers the same kind of help big-company employees have long enjoyed.
- The tax credits also have made a positive impact among Black and Hispanic Americans, among whom health care marketplace enrollment has risen dramatically.

Go Deeper: Explore [KAC's interactive map](#) to learn how much higher costs would be for each person in the average family, broken down by state and congressional district.

New Polling: Majority of Voters Want Site-Neutral Payment Reform

A [new poll](#) from the Winston Group and highlighted by the Alliance to Fight for Health Care (AFHC) finds that a majority of voters support congressional action to adopt site-neutral payments.

AFHC also hosted a congressional briefing ([video link](#), pw: SiteNeutral25) that examined how site-neutral payment policies will reduce costs for patients, especially cancer patients.

Key Findings:

- By a margin of two to one, voters say **the price of a health care service should be the same no matter where it is received** (59%) versus those who believe the price should change based on where the care is received (30%).
- Also by a two-to-one margin, voters believe **the site of care should be accurately reported**, disagreeing with hospitals not being required to report the exact location of where health care services are received (27%-51% agree-disagree).
- Nearly two-thirds of **voters favor a proposal to adopt site-neutral payment policies**, which would standardize the Medicare reimbursement for certain health care services and procedures across all doctors' offices, even if the doctor's office was acquired by a hospital (64%-14% favor-oppose).

Why this matters: Hospital prices are a driving factor in patients' rising health care costs. Site-neutral payment reform, which corrects a Medicare payment distortion that incentivizes hospitals to acquire physician practices and bill at higher rates, would help ensure patients receive the right care in the right setting at the right price.

Go Deeper: [Read more](#) about how expanding site-neutral payments would reduce costs for cancer patients.

Administration will Defend Preventive Services in Braidwood Supreme Court Case

On Tuesday, February 18, 2025, the Department of Justice under the Trump Administration filed a [brief](#) indicating that it will maintain the Biden Administration's argument defending preventive services coverage in the *Braidwood v. Becerra* case. The Administration will ask the Supreme Court to uphold the role of the United States Preventive Services Task Force (USPSTF) and maintain the Affordable Care Act requirement that insurers provide coverage of certain USPSTF-recommended preventive services without cost-sharing.

Federal Employee Layoffs Expand to CMS, Other Key Health Agencies

Politico reported that HHS laid off employees across several of its agencies — including CMS, the Administration for Children and Families, the Food and Drug Administration, and the Centers for Disease Control and Prevention. The layoffs at CMS appear to primarily affect probationary employees at the Center for Consumer Information and Insurance Oversight (CCIIO), including some working on implementation of the No Surprises Act and oversight of insurance brokers, and at the Center for Medicare and Innovation (CMMI), including some working directly on Medicare and Medicaid models, such as the newly awarded Transforming Maternal Health Model which is active in 15 states. [Read More](#)

Establishment of the MAHA Commission

On Feb. 13 President Donald Trump issued his first health care Executive Order (EO) under new leadership for the Make America Healthy Again Commission. The EO [establishes](#) the Federal Government policy to aggressively combat the rising rates of mental health disorders, obesity, diabetes and other chronic diseases. Directs agencies to ensure availability of expanded treatment options and the flexibility for health insurance coverage to provide benefits that support lifestyle changes and disease prevention. Secretary of Health and Human Services (RFK Jr.) will head the Commission with officials from other departments, agencies and the White House.

The commission also aims to investigate and address childhood chronic diseases. The commission will release an initial assessment within 100 days and a strategy within 180 days to improve children's health based on its findings. [Read More](#)

Two Federal Judges Pause President Trump's Order Restricting Gender-Affirming Care for Youth

The Associated Press reported that Judge Brendan Hurson, of the U.S. District Court for the District of Maryland, issued a two-week temporary restraining order (TRO) against certain provisions in President Trump's recent executive orders (E.O.) aimed at restricting gender-affirming health care for transgender people under age 19 and recognizing only two sexes under federal laws. A day later, a second federal judge, Judge Lauren King of the U.S. District Court for the Western District of Washington issued a similar TRO for two weeks. Among other things, the E.O. in question directs federally run insurance programs to exclude coverage for such services and suggests that Medicare and Medicaid conditions of participation could be changed so that hospitals would be unable to participate if they provide gender-affirming care to

transgender youth under age 19. The TROs mean that medical institutions cannot have their federal funding withdrawn because they provide gender-affirming care services or otherwise promote “gender ideology,” nor can the Justice Department pursue criminal action against institutions performing such care on the grounds that they are committing prohibited female genital mutilation. The next step is likely for plaintiffs to request a permanent preliminary injunction to last throughout the proceedings. [Read More](#)

President Trump’s Statements About Medicaid Funding and Cuts

Politico reported that President Trump’s endorsement of the House budget, which would likely include deep cuts to Medicaid, has caused confusion among staff and Congressional Republicans. The President’s endorsement of the House budget came hours after he pledge that Medicaid “isn’t going to be touched.” Following the seemingly contradictory comments, aides have been scrambling to determine which Medicaid cuts President Trump would be willing to accept. The shift is also fueling concern among House and Senate Republicans, who are looking to President Trump for political cover as they contemplate a potentially risky vote to cut Medicaid. Moderates in both chambers of Congress have spoken out against proposed Medicaid cuts, including eight House Republican representing large Hispanic populations issuing a direct plea to Speaker Mike Johnson (R-LA 4th) on Wednesday evening. [Read More](#)

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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