SEPTEMBER 12, 2025

WASHINGTON, D.C. HAPPENINGS

Battle Over Funding the Government….Again

Each year, Congress returns from their August recess the day after Labor Day, and each year, Congressional Leaders start turning up the volume on whether or not their respective political party should refuse to negotiate with the other political party to fund the government for the following Fiscal Year (which starts Oct. 1st of each year). That's why we call it a "Shutdown-Showdown." Currently, Congressional Democrats are saying that they won't agree to funding the government unless Congressional Republicans and President Trump repeal certain aspects of the recently enacted "One Big Beautiful Bill" (the main focus is on the OBBB's changes to Medicaid). Meanwhile, Republicans – primarily the White House – are just fine with Democrats shutting down the government. Why? Because the White House will try to blame Democrats for causing the shutdown. And, the White House is almost begging Democrats to force President Trump to decide how to fund – or not fund – the Federal Departments, which President Trump will have the authority to do during any government shutdown. Which is why Democratic Leadership is signaling – like they did back in March of this year – that keeping the government open trumps (no pun intended) picking a fight that the Democratic "base" very much wants to see. But, Democratic Leadership is keeping the base's hopes alive by also saying that Republicans must agree to at least some Democrat demands in order to get Democratic votes. We still have 8 legislative days before Republicans and Democrats have to agree – or disagree – on whether to keep the government funded, even for a short period of time. Grab your popcorn…

Government Shutdown and Extending the ACA's "Enhanced Premium Subsidies"

Although not yet at a fever-pitch, an issue that will serve as one of the "Democrat demands" is extending the ACA's "enhanced premium subsidies." As we have explained in prior Newsletters, back in 2021, the Democrats (1) increased the generosity of the ACA's premium subsidies and also (2) allowed any individual at any income level to access a subsidy. However, the Democrats set an expiration date of December 31, 2025 on these "enhancements," which means, Congress has a decision to make by the end of this year: Option #1 – Extend the enhanced subsidies as is. Option #2 – Extend the enhancements, but in a different form, and also add Republican health care reforms to the mix. Option #3 – Allow the enhancements to expire entirely. A number of high-profile Republicans are already coming out against Option #1. But, with the mid-term elections right around the corner, and studies showing premium spikes in the "individual" market and loss of health coverage for millions, it will be very difficult for Republicans to allow the enhancements to expire entirely under Option #3. Soooooo, Option #2?? The volume is going to get turned up on this issue very soon. Maybe pour a Scotch while grabbing your popcorn…

SIIA'S COALITION WORK

Surprise Billing has become a bigger and bigger issue for health care payers as medical providers continue to abuse the Federal IDR Process by, among other things, flooding the system with thousands of disputes, many of which are not even eligible for the Federal IDR Process. And now, medical providers are submitting "offers" to the IDR Entities (IDREs) that are well in excess of not just the Qualifying Payment Amount (QPA), but well in excess of the billed charges. And, IDREs are actually agreeing to these highly-inflated "offers" when making a final determination that, by the way, cannot be over-turned but for fraud or misrepresentation, or now, certain errors. This flies in the face of Congress's original intent of requiring IDREs to decide between (1) a benchmark in-network rate in a geographic region (i.e., the QPA) and (2) a reasonable compensation amount requested by the provider, NOT billed charges or an exponential multiple of billed charges. SIIA continues to work with our health care payer Coalition partners to lobby CMS and Congress to put a stop to this ongoing abuse. We are hopeful that we will soon see final regulations that will, among other things, formalize the Open Negotiation Process (by running the Open Negotiation Process through the Federal Portal) and change the rules governing "batching" claims. We are also hopeful that CMS will take the opportunity to crack down on the abuses noted above and also detailed in a recent Health Affairs article that you can find ***here***. Fingers crossed that final regs will be here by November. We'll keep you updated…

HEALTHCARE FOCUS

Regulations Are A'Comin'

Speaking of regulations that we will likely see soon, we are on the look-out for proposed regulations that will improve and strengthen the Transparency in Coverage (TiC) Rule. We will likely see these regs at the end of this month or sometime in October. We don't know exactly what will be included in these proposed regs, but based on conversations SIIA has had with the Trump Transition Team shortly after the Nov. 2024 elections, and also ongoing conversations with Trump Administration officials, we are expecting to see changes that range from requiring the CEO of an insurance carrier to "attest" to the accuracy of the pricing information in the carrier's TiC Machine-Readable File (MRF), along with "attesting" to overall compliance with the TiC requirements, to increased audits of the MRFs and new requirements that are intended to decrease the size of the MRFs. These proposed regulations are currently over at OMB for review, which means these regs are coming out soon…

Compensation Disclosure for PBMs and TPAs

Another proposed regulation that is not yet at OMB for review – but a reg we also expect to see soon – will clarify that PBMs are required to disclose both "direct" and "indirect" compensation to the plan sponsor and plan fiduciary. As you know, this same compensation disclosure requirement – which was enacted as part of the CAA 2021 – currently applies to brokers and consultants to self-insured health plans. What you may not know is that this compensation disclosure requirement ALSO applies to PBMs and TPAs that perform certain services that are enumerated in the law. However, PBMs and TPAs have taken the position that the current compensation disclosure requirement does not apply to them. BUT, that is NOT what Congress intended, as evidenced by a letter Congress sent to the DOL back in Dec. 2022 (you can find the letter ***here***). In response to Congress's letter, President Trump directed the DOL to issue regulations that would clarify that PBMs are subject to this compensation disclosure requirement in an Executive Order issued back in April (you can find the Executive Order ***here***). That is why we are going to see this particular proposed regulation coming out soon. Probably November. Questions remain over whether this proposed regulation will ALSO clarify that TPAs that perform certain services must ALSO disclose "direct" and "indirect" compensation to the plan sponsor/plan fiduciary. Stay tuned…

STATE POLICY UPDATE

2025 State Policy Overview

We recently sent you all our State Policy Overview, summarizing the State legislative proposals that we tracked throughout 2025, and we highlighted what we expect to be tracking in 2026 (if you didn't see it, you can find it ***here***). As we wait for the 2026 Legislative Sessions to get underway, we wanted to note two issues that we will be keeping an eye on.

Colorado

The state is already preparing for a scenario where the ACA's "enhanced premium subsidies" are NOT extended (Option #3 as discussed above). Here, the Colorado Department of Insurance released an Emergency Rule that would create State-based premium subsidies that would make up for any lost Federal subsidies. This, of course, costs money, so Colorado Legislators have suggested taxing both fully-insured and self-insured health plans, as well as stop-loss insurance. SIIA opposes any State-based assessments on self-insured health plans, and also, stop-loss insurance. As result, we will be active in opposing these efforts if and when Colorado Legislators mobilize on this.

National Association of Insurance Commissioners Meeting

At the NAIC Meeting earlier this year, there were lots of conversations about Level-Funded Plans and whether States – and even the Federal government – should regulate these arrangements, as studies continue to show that take-up of Level-Funded Plans is on the rise among small employers which, in turn, is adversely affecting States' fully-insured "small group" markets. Although nothing concrete came out of the NAIC Meeting, this tells us that States are going to continue to view Level-Funded Plans as a threat to their insurance markets, which will result in efforts to regulate stop-loss insurance as a way of regulating Level-Funded Plans.

SIIA'S GOVERNMENT RELATIONS TEAM IN ACTION

Advocacy in Action Webinar Series

SIIA's June Webinar was the last Webinar of the Advocacy in Action (AIA) Series, but we will be back in the fall! You can **Click here** to watch the last edition.

STAY IN THE KNOW

Registration is now open for **SIIA's National Conference!** ***Register here!***

KEEP IN TOUCH

For more information and content, please follow us on **LinkedIn** and visit our website at **SIIA.org**.

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