October 2, 2025

WellLink Concerned About Impact of Government Shutdown on Community Health and Well-Being

Government funding and certain healthcare programs and waivers expired at midnight Sept. 30 as Congress failed to reach an agreement to keep the government funded. This is a full government shutdown as no fiscal year (FY) 2026 appropriations bills have been signed into law. Federal agencies are executing their plans for an orderly shutdown.

When Congress fails to pass a funding bill, federal agencies can only perform limited government functions deemed essential operations and must stop all nonessential programs and activities, which results in a furlough of employees. Essential actions include providing for national security and conducting essential activities that protect life and property including inpatient and emergency outpatient care, public health and safety, and emergency assistance.

Under this shutdown:

- The U.S. Department of Health and Human Services (HHS) will retain 59% of staff (including direct service components) and furlough 41%. While the Medicare program and payment activities for federal programs would continue, the Centers for Medicaid and Medicaid Services (CMS) face limited staffing to provide any policy rulemaking, and oversight of Medicare contractors including the Medicare Call Center. In addition, many national and community outreach and education activities performed by the agency will cease or be limited and CMS beneficiary casework services may be suspended.
- Similarly, the Health Resources Services Administration (HRSA) will have limited staffing to support the development and promotion of maternal health, health workforce, and behavioral health programs.
- Of interest to WellLink's coordination of the Northeast Ohio Healthcare Coalition and emergency preparedness program, there will be no federal oversight and management of the Hospital Preparedness Program through the Administration for Strategic Preparedness & Response (ASPR).
- The Centers for Disease Control and Prevention (CDC) will not be able to provide communication to the American public about important health-related information. CDC reports that 8,742 staff will be furloughed.
- All Food and Drug Administration (FDA) activities related to imminent threats to safety will continue. This includes detecting and responding to public health emergencies and continuing to address existing critical public health challenges by managing recalls, mitigating drug shortages, and responding to outbreaks related to foodborne illness and infectious diseases.
- National Institutes of Health (NIH) activities will continue to be largely centered on the ongoing operations at its biomedical research hospital, the NIH Clinical Center, to maintain the safety and continued care of its patients. There are many NIH activities that will not continue, such as issuance of new awards, programs/grants management activities, and training of graduate students and postdoctoral fellows at NIH facilities.

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- Most Substance Abuse and Mental Health Services Administration (SAMHSA) grants awarded in the prior year will have funds that remain available to be spent by the grantee, including, for example, the 988 and Behavioral Health Crisis Services program, the State Opioid Response Grant program, and the Mental Health and Substance Use Block Grants.
- VA Medical Centers, Outpatient Clinics, and Vet Centers will be open as usual and providing all services. VA benefits will continue to be processed and delivered, including compensation, pension, education and housing benefits.

This remains a fluid process, and WellLink continues to monitor activities and federal guidance as it becomes available. This guidance is current as of Oct. 2, 2025.

IMPACT ON PROVIDERS

Generally, Medicare payments to healthcare providers are mandatory and not subject to the annual appropriations process and therefore are unaffected by a government shutdown. On Oct. 1, CMS issued guidance that directs contractors to temporarily hold Medicare claims to prevent reprocessing of claims if congressional action takes place. Providers are instructed to continue to submit claims but payment will not take place until the hold is lifted.

Medicaid is funded differently and relies on annual appropriations. CMS has indicated there is sufficient funding for Medicaid through the first quarter of the fiscal year. There is uncertainty in funding for Medicaid if a shutdown remains past a calendar quarter.

Funding for the recent Rural Health Transformation Program is mandatory, and the program is slated to move forward with state applications due on Nov. 5.

IMPACT ON CRITICAL HEALTHCARE PROGRAMS

The authorizations for other critical healthcare programs expired Sept. 30 and will require congressional action to extend them further. WellLink is concerned about the impact on access to care and the healthcare outcomes of our communities and urged members of Congress to support these healthcare extenders.

Telehealth Waivers

Temporary statutory waivers for telehealth services have now expired. On Oct.1, CMS issued guidance on how it will address the lapse in authorization of COVID-era telehealth flexibilities.

"The statutory limitations that were in place for Medicare telehealth services prior to the COVID-19 Public Health Emergency will take effect again for services that are not behavioral and mental health services. These include prohibition of many services provided to beneficiaries in their homes and outside of rural areas and hospice recertifications that require a face-to-face encounter. In some cases, these restrictions can impact requirements for meeting continued eligibility for other Medicare benefits."

Providers performing telehealth services that are no longer payable by Medicare may provide patients with a notice of noncoverage. Providers may choose to hold claims pending federal action that may allow for retroactive claims submission. Additionally, Medicare would not be able to pay some types of practitioners for telehealth services. Clinicians in applicable Medicare

accountable care organizations (ACO) can provide these covered telehealth services and bill Medicare for the telehealth services that are permissible under Medicare rules.

Acute Hospital-at-Home Program

For hospitals and health systems who took advantage of previous COVID waivers and flexibilities that eased several Medicare restrictions and requirements to allow for hospital care in the home, CMS confirmed on Sept. 26 that hospitals with these waivers must discharge homebound inpatients or return patients to the hospital by Sept. 30, 2025.

Medicaid DSH

The Medicaid Disproportionate Share Hospital (DSH) program provides essential financial assistance to hospitals that care for our nation's most vulnerable populations, including children and people who are disabled and elderly. The Medicaid DSH cut for FY 2026 is $8 billion and takes effect on Oct. 1. Because DSH payments are made quarterly, it is possible that states may not impose cuts immediately depending on states' Medicaid agency guidance.

Community Health Centers (CHC) and National Health Service Corps (NHSC)

While CHCs and NHSC have been permanently authorized in statute, the funding authority for these programs has expired. Teaching Health Centers Graduate Medical Education (THGME) is a temporary program and receives discretionary funding through the annual appropriations process; therefore, these payments could be disrupted by a prolonged government shutdown.

Enhanced Premium Tax Credits (EPTC)

At the heart of the partisan divide and disagreement with respect to a funding agreement is the extension of the Enhanced Premium Tax Credits (EPTCs). WellLink supports the extension of these tax credits that provide critical support to help individuals purchase affordable health coverage and we know that coverage means access to care. EPTCs — which are only available to people who do not have access to affordable health insurance through their employer or a government program — are a vital resource and have helped people gain coverage through the marketplaces over the last few years.

Without congressional action, EPTCs are set to expire at the end of this year, leaving millions of people at risk of losing access to health care coverage. It is vital to act now before open enrollment takes place in November. The expiration of these tax credits will create substantial financial strain by drastically increasing costs for hardworking individuals and families. Those who currently receive EPTCs are expected to see more than 75% increase in their out-of-pocket premiums. This loss of coverage would put considerable stress on our healthcare providers, which will experience more uncompensated care and bad debt. There will also be an impact on the entire community, even those with coverage, because of an influx of uninsured patients into emergency departments causing longer waits, stress on the whole healthcare system and the inability to get the care they need.