Government Relations Update – November 18, 2025

Pennsylvania Issues

Legislation

- **Pennsylvania State Budget:** On November 12, 2025, the 2025-26 state budget was passed. It includes $50.09 billion in spending, which represents a 4.75% increase compared to the 2024-25 state budget. The budget maintains funding for Medicaid Supplemental Payments, as well as payments for obstetric/neonatal intensive care services and trauma centers. The budget includes an increase of $125 million, or 3.5%, for Medical Assistance, while Medicaid disability payments increased by $622 million, or 10.7%. The budget also allocates $65 million for healthcare workforce and education funding. Bills passed together with the budget permit behavioral health services provided outside a licensed facility to qualify for Medical Assistance reimbursement. **Lastly, with the support of Representative Mike Schlossberg (D-Lehigh), the Temple/St. Luke's School of Medicine will receive recurring payments of $2 million annually, which will be matched each year by an additional $1.12 million in federal funds.**

Miscellaneous

- **Election Results:** On November 4, 2025, Representative Josh Siegel (D) was elected as Lehigh County Executive, and Northampton County Councilmember Tara Zrinski (D) was elected as Northampton County Executive. Current Lehigh County Executive Phillips Armstrong is term limited, and current Northampton County Executive Lamont McClure did not seek reelection to run for Congress.

Federal Issues

Miscellaneous

- **Federal Government Shutdown:** On November 11, 2025, after a 41-day government shutdown, eight Senate Democrats, including Senator John Fetterman (D-PA), joined with all Senate Republicans, except Senator Rand Paul (R-KY), to pass a short-term funding bill. On November 12, 2025, the House passed the bill by a 222-209 vote with six Democrats joining all House Republicans, other than two Republicans who opposed the bill and one who was absent for the vote.

  The bill funds the Department of Agriculture, the Food and Drug Administration, the legislative branch, military construction, and the Department of Veterans Affairs through September 30, 2026. The remaining federal agencies and programs will be funded through January 30, 2026, including the extension of Medicaid Disproportional Share payments to hospitals, the Medicare Dependent Hospital program, the low-volume hospital payment adjustment, and the Medicare telehealth program.

  The bipartisan deal does not contain an extension of the Federal subsidies for Affordable Care Act enrollees with incomes below 150% of the Federal poverty line, but it does require the Senate to vote on the issue in December. There has been no commitment from House Republican leadership or the Trump Administration to follow any Senate action on the subsidies. St. Luke's projects the reimbursement reduction to the network could exceed $40 million annually if the subsidies are terminated.