Special Needs Alliance:

Public Policy News You Can Use

December 22, 2025

Happy Holidays, From Healthsperien

The Healthsperien offices will be closed from December 24th through January 2nd for the holiday season. The SNA Public Policy News You Can Use Newsletter will resume on the second week of January. During this time, Healthsperien wishes you a healthy, restful holiday season.

6 Million Americans Become Eligible to Use ABLE Accounts in 2026

Beginning in 2026, Achieving a Better Life Experience (ABLE) accounts will be available to individuals who become disabled before the age of 46, significantly raising the age maximum from the current limit of 26 years old. The National Disability Institute expects that the age increase will allow an additional 6 million Americans including one million veterans to benefit from ABLE accounts. Currently, 223,000 individuals have ABLE accounts while an estimated 8 million individuals are eligible. Although 46 states and the District of Columbia offer ABLE accounts, adoption has been relatively slow, likely in part due to the low age limit. Advocates expect the increased age limit will help expand the adoption of ABLE accounts and reduce poverty among individuals with disabilities by increasing awareness and access to the accounts. In 2022, the Consolidated Appropriations Act of 2023 (H.R.2617) was signed into law and included the ABLE Age Adjustment Act (S.331), which raised the age for ABLE accounts, effective January 1, 2026.

SSDI Benefit Changes in 2026

Beginning January 1, 2026, the Social Security Administration (SSA) will make multiple operational changes. For 2026, the SSA announced a Cost-of-Living (COLA) adjustment of 2.8%, an average increase of $56 per month. The COLA 2026 Social Security Changes Fact Sheet outlines additional information. Additionally, SSA raised the income threshold for 2026 on the Substantial Gainful Activity definition, allowing individuals to earn more before triggering a reassessment of disability status. Similarly, the Trial Work Period (TWP) parameter will increase from $1,160 to $1,210 before a reassessment is triggered. As of November 2025,

8,177 individuals received social security disability insurance (SSDI), comprising 11.6% of the almost 75,000 social security beneficiaries. Beneficiaries looking to plan their expenses for the new year can utilize the social security benefits payment schedule.

CMS Announces New ACO Model Targeting Smaller, Independent and Rural Providers

On Thursday December 18th, the Centers for Medicare and Medicaid Services (CMS) Innovation Center (CMMI) announced the newest voluntary accountable care organization (ACO) model, the Long-Term Enhanced ACO Design (LEAD) Model. CMS recognized that in previous ACO models, many health care providers did not participate or dropped out due to financial and administrative obstacles. In an interview with the American Hospital Association (AHA), CMS Chief Strategy Officer and Healthsperien Founder Gary Bacher said the model was designed to ensure small, independent, rural, and specialized providers were able to successfully participate. Compared to previous ACO models and in line with the administration's Make America Healthy Again (MAHA) initiative, the LEAD Model pairs improved benchmarking with a longer performance period to offer providers more predictability and better coordinate care for high-needs and dually-eligible patients. The final performance period for CMMI's active ACO model, the ACO Realizing Equity, Access, and Community Health (REACH) Model, will end on December 31st, 2026 as planned and the LEAD Model's first performance period will begin the following day on January 1st, 2027. The LEAD Model includes a 10-year performance period ending on December 31st, 2036, and is CMS's longest performance period to date. CMMI will release a Request for Applications beginning in March of 2026 for interested ACOs to apply.

HHS Proposes Series of Regulations Rolling Back Transgender Health Protections

On December 18th, the Department of Health and Human Services (HHS) released three proposed regulations scaling back transgender individuals' access to services and products in Medicare, Medicaid, and the Marketplaces. Two of the proposed rules significantly restrict transgender children's ability to receive sex-rejecting procedures (SRPs), commonly referred to as gender affirming care, except in cases of physical ailments or sexual development disorders. One of rules proposes to prohibit federal Medicaid and Children's Health Insurance Program (CHIP) funding from being spent on SRPs furnished to children under the age of 19 (Federal Register; PDF). Approximately half of all children in the U.S. receive health insurance through Medicaid or CHIP. Similarly, the other rule proposes to revise the requirements for certified hospitals participating in Medicare and Medicaid, prohibiting the hospitals from performing SRPs on children under the age of 18 (Federal Register; PDF). Because almost every hospital in the country furnishes services to patients covered by Medicare or Medicaid, SRPs will be effectively outlawed nationally. CMS expects 8,570 children to experience disruptions in care costing the federal government over 53 million dollars over 10 years. Comments on the Medicare and Medicaid proposed rules are due within 60 days and

comments on the nondiscrimination policy are due within 30 days of publish on the Federal Register.

Additionally, Under a new notice of proposed rulemaking, programs and activities receiving federal funds are no longer mandated to ensure disability nondiscrimination policies protect individuals with "transvestism, transsexualism, pedophilia, exhibitionism, voyeurism, gender identity disorders not resulting from physical impairments [including gender dysphoria], and other sexual behavior disorders…" (Federal Register; PDF). In practice, the proposed policy alteration erodes nondiscrimination protections and allows organizations receiving federal funds to discriminate against individuals who are gender non-conforming or have atypical sexual interests.

Furthermore, the Food and Drug Administration (FDA) issued warning letters to 12 manufacturers and retailers of breast binders for illegally marketing the product to treat gender dysphoria in children and for failing to register the products with the FDA. The FDA reminded companies that breast binders are devices for medical treatment of conditions like recovery from cancer-related mastectomy. The warning letters notified the manufacturers and retailers of their regulatory violations and outline the required corrective actions.

The policies aim to promote the health and safety of children while removing regulatory burdens and align with President Trump's executive orders Unleashing Prosperity Through Deregulation and Protecting Children From Chemical and Surgical Mutilation.

What's on Tap

Congress will close the year amid heightened health policy tensions after the House advanced a sweeping GOP health care package while leaving major affordability questions unresolved. On December 16th, the House passed H.R. 6703, the Lower Health Care Premiums for All Americans Act, which excluded an extension of the Affordable Care Act's (ACA) enhanced premium tax credits (EPTCs), effectively guaranteeing their expiration at the end of the year. The vote exposed sharp divisions within the Republican conference, with several moderates breaking ranks to support a Democrat-led discharge petition that would force a vote on a standalone three-year extension. While both efforts are unlikely to advance in the Senate, bipartisan discussions continue ahead of the January 30, 2026 government funding deadline. Going into early next year, lawmakers will weigh the political and economic consequences of allowing EPTCs to lapse and millions of Americans to face higher premiums.

At the same time, the Trump Administration is accelerating its push to reshape drug pricing policy through an expanded "most favored nation" (MFN) framework. Nine additional manufacturers have entered MFN-based pricing agreements for most of their Medicaid portfolios, committed future products to launch at MFN prices across all payers, and agreed to new domestic manufacturing and national security requirements. In addition to the industry deals, the Centers for Medicare & Medicaid Services (CMS) proposed two new Innovation Center models — the Guarding U.S. Medicare Against Rising Drug Costs (GUARD)

Model for Part D and the Global Benchmark for Efficient Drug Pricing (GLOBE) Model for Part B —that would require manufacturers to pay rebates if Medicare prices exceed MFN benchmarks beginning as early as October 2026. While the administration argues the models will lower costs and strengthen supply chains, lawmakers and industry stakeholders continue to scrutinize the uncertain interactions between the new models, existing MFN agreements, and broader Medicare pricing reforms.

Alongside the drug pricing agenda, the Department of Health and Human Services (HHS) has advanced their health care access agenda. CMS announced a new accountable care organization (ACO) model that will launch on January 1, 2027 after the conclusion of the ACO Realizing Equity, Access, and Community Health (REACH) Model. The Long-Term Enhanced ACO Design (LEAD) Model aims to broaden participation among smaller, independent, rural, and specialized providers and improve care for high-needs, dually-eligible beneficiaries by providing greater payment stability and predictability. Separately, the Department of Health and Human Services (HHS) issued three proposed regulations scaling back transgender-related coverage and protections across Medicare, Medicaid, and the Marketplaces, including changes to nondiscrimination requirements and proposals restricting federal funding for certain gender affirming procedures for children. The administration also moved to expand federal research into medical marijuana and cannabidiol through an executive order, directing the FDA to reschedule marijuana in order to facilitate scientific study and improve evidence on safety and health outcomes.

When lawmakers return to Washington in the new year, negotiations will be dominated by the remaining appropriations bills, unresolved questions around health care affordability, drug pricing, Medicare, and Medicaid.

Upcoming Events

Senate

- Out of session until January 5th

House

- Out of session until January 5th

Congressional events will re-start in the new year once Congress returns from the district work period.