Special Needs Alliance:

Public Policy News You Can Use

October 28, 2025

Idaho Referendum on Special Education Services

Next month, more Idahoans will see supplemental levy funds on the ballot. Levies totaling 3.3 million dollars will appear before voters to pay for the special education programs in seven Idaho school districts. In May, four districts requested just over 980 thousand dollars for special education services. Idaho school districts are requesting additional funds to cover the gap between state and federal reimbursements for special education services, which is estimated to be 100 million dollars. Up to one in five students are enrolled in special education programs in one of the schools requesting additional funds. As the Trump administration continues to explore relocating special education funds out of the Department of Education and as Medicaid reimbursement rates are reduced by 4%, schools in Idaho providing special education services are struggling to cover the costs of required “maintenance of effort” services. If the state or school districts were to cut special education funding any further, Idaho could become non-compliant with federal statute, resulting in the federal government no longer providing financial support. One school superintendent stated that if the levy did not pass, she would need to cut other programs to remain compliant with special education program requirements.

Government Shutdown Update

The federal government shutdown continued into its fourth week, with little progress made towards a resolution. The Senate is once again in session, but it is not expected to hold the 13th vote on the House-passed continuing resolution (CR) from September. The House remains out of session next week, having held its last vote on September 19.

House staff members will miss their first full paycheck on Friday without congressional intervention, despite working throughout the shutdown. The American Federation of Government Employees (AFGE), the nation's largest union of federal workers, called on Congress to pass a short-term CR that allows the union's more than 800,000 federal employees return to work. Federal workers are expected to miss two consecutive paychecks but are guaranteed back pay under law – although the Trump Administration has questioned the statute's legal authority.

Despite gridlock in the Senate on how to proceed with a path forward on government funding, the upper chamber is continuing to work on healthcare issues. This week, the Senate Finance Committee is set to hold a hearing on the nomination of Thomas Bell to be Inspector General of the Department of Health and Human Services (HHS), following sharp criticism from Senate Democrats on the nomination last week. The Senate Health, Education, Labor and Pensions (HELP) Committee is likewise planning to hold a hearing on the nomination Dr. Casey Means to be Surgeon General, just after holding a hearing on the future of biotech in the US the day before.

As the federal government remains closed, disability rights protection and advocacy organizations are feeling financial pressure. For example, Disability Rights Arkansas announced last week it would stop taking new cases and furloughed staff beginning November 1st as they have run out of carryover funds from fiscal year 2025. Further, the USDA's Food and Nutrition Service (FNS) has notified states that November funding for the Supplemental Nutrition Assistance Program (SNAP) will not be issued at this time.

Healthsperien will continue to monitor this situation and keep you apprised of any and all developments as they occur. Our full analysis of the government shutdown and its potential consequences is available here.

Trump Administration Appoints New Director of ARPA-H

The Trump Administration recently appointed Alicia Jackson to serve as the director of the Advanced Research Projects Agency for Health (ARPA-H). Jackson replaces acting director Jason Roos, who took control of the agency following the removal of previous director Renee Wegrzyn amid federal reductions in force. The new ARPA-H director has worked in the health technology space for over a decade and previously served as deputy director of biology programs at the Department of Defense's in-house research and development shop.

ARPA-H, housed within the Department of Health and Human Services (HHS), functions as a high-impact research accelerator to support transformative health innovations. Its portfolio includes projects focused on precision oncology, personalized genetic medicine manufacturing, brain injury recovery, and regenerative joint repair, among a variety of others. Conceived during President Trump's first term and formally established in 2022 under the Biden Administration, ARPA-H had a budget of $1.5 billion last year. Under new leadership, the agency is expected to continue advancing health technology innovation – a priority for the current Trump Administration.

CBO Report Finds Exclusion of Orphan Drugs from Medicare Negotiations will Cost $8.8 Billion Over 10 Years

On October 20th, the Congressional Budget Office (CBO) released a report estimating that the exclusion of several orphan drugs from the Medicare drug price negotiation program (DPNP) will cost 8.8 billion dollars over 10 years. Initially, CBO estimated the costs of the One Big Beautiful Bill Act (OBBBA) to cost the federal government an additional 4.9 billion dollars. The new estimate reflects updated information about the eligibility of Johnson & Johnson's Darzalex, Merck's Keytruda and Bristol Myers' Opdivo for price negotiation. Notably, the CBO analysis does not incorporate Centers for

Medicare and Medicaid Services' September guidance on the inclusion of Medicare Advantage spending in determination of drug rankings for future Part B and Part D negotiations.

In response, House Energy and Commerce Committee Ranking Member Frank Pallone (D-NJ-06), House Ways and Means Committee Ranking Member Richard E. Neal (D-MA-01), and Senate Finance Committee Ranking Member Ron Wyden (D-OR) released a joint statement expressing their frustration with the Republicans' health policies in the OBBBA. Democratic leaders stated the OBBBA's orphan drug provision gives "… an enormous $8.8 billion sweetheart deal to Big Pharma companies at the expense of seniors." Further, lawmakers claim President Trump's agreements with pharmaceutical manufacturers and direct-to-consumer sales models are a "sham" intended to help pharmaceutical companies keep prices higher for longer.

What's on Tap

The government shutdown entered into its fourth week, with a variety of vital programs set to run out of funding this week without congressional intervention. Chief among them being the Supplemental Nutrition Assistance Program (SNAP), which provides food assistance to more than 40 million people. The program is set to run out of funding on Saturday November 1st. 25 states are already planning to cut off benefits this weekend, with the U.S. Department of Agriculture instructing states to hold off on distributing benefits until further notice. The federal government will need to identify over $8 billion in funding to keep SNAP operational during the shutdown beyond the first of the month. The Special Supplemental Nutrition Program for Women, Infants and Children (WIC) is also set to lapse on Saturday for some 7 million low-income mothers and children unless the Trump Administration is able to reallocate another $300 million in emergency funding. Simultaneously, the open enrollment period for Affordable Care Act (ACA) plans will begin on November 1st. Enrollees in the marketplace are expected to see steep increases in their premiums as insurers lack confidence in lawmakers reaching a deal on an extension of the advance premium tax credits (APTCs) before Saturday.

Although little progress has been made in negotiations between Republicans and Democrats over the past month, an off-ramp for lawmakers may be approaching due to continued public pressure. Despite Democrats maintaining a narrow lead in public favorability throughout the shutdown, public ire has been directed to Congress as a whole. Recent polling found that Congress's approval rating sunk from 26 percent to 15 percent during the first two weeks of October and almost two-thirds of Americans blame both parties for the shutdown. The beginning of the ACA marketplace open enrollment period could also motivate GOP lawmakers to give Democrat some ground on ACA subsidies. Internal Republican polling shows that allowing the APTCs to expire at year's end could prove to be a major sticking point for GOP candidates in the 2026 election, with many red states expected to be impacted most by rising premiums.

The Centers for Medicare and Medicaid Services (CMS) announced plans to recall over 3,000 furloughed staff members last week, nearly half the agency's workforce. CMS plans to leverage fees it charges outside researchers to access its data to pay staff during the shutdown and expects Congress to replenish the 'user fee fund' after the federal government is funded again. Nearly half of CMS staff have been furloughed since October 1st, delaying the publications of rules and data releases, while barring staff from conducting public outreach and education. CMS cited the beginning of the Medicare and ACA open enrollment seasons as its rationale for bringing back furloughed workers. Open enrollment for traditional Medicare and Medicare Advantage plans began on October 15th, and enrollment for the ACA marketplace begins this Saturday. The 3,000 CMS staff returning to work this week represent a fraction of the roughly 670,000 furloughed federal employees who have been without pay for nearly a month.

Upcoming Events

Senate

- In session: October 27-31
- Wednesday, October 29, 10am | Senate HELP Committee holds a hearing on The Future of Bioetch: Maintaining U.S. Competitiveness and

Delivering Lifesaving Cures to Patients | 430 Dirksen Senate Office Building

- Thursday, October 30, 11:00am | Senate HELP Committee holds a hearing on the Nomination of Casey Means to Serve as Surgeon General | 430 Dirksen Senate Office Building

House of Representatives

- Out of session