Policy At A Glance:

Full-Year Continuing Appropriations and Extensions Act, 2025 (H.R. 1968)

On March 15, 2025, President Trump signed into law the Full-Year Continuing Appropriations and Extensions Act, 2025 (HR 1968) to keep the government funded through September 2025. This brief highlights the funding extensions for some of the federal health programs.

Introduction

Each year, Congress allocates discretionary funds for about 25% of government functions through 12 spending bills, which are due by October 1, the start of the new fiscal year. However, they often miss this deadline. To prevent a lapse in appropriations which can cause a government shutdown, Congress passes a temporary funding measure called a continuing resolution (CR), allowing agencies to operate until a long-term budget is approved.[1] This stopgap measure has been used repeatedly to keep the government running while lawmakers negotiate a more permanent funding solution.[2]

In December 2024, President Biden passed the American Relief Act, 2025 (H.R. 10545), a second CR to extend federal spending and avoid a government shutdown through March 2025.[3,4] However, with no long-term appropriations bill in place by that deadline, President Trump signed the Full-Year Continuing Appropriations and Extensions Act, 2025 (H.R. 1968) into law on March 15, 2025, to fund the government through September 2025.[5] This bill sets the FY 2025 discretionary funding at $1.6 trillion, allocating $198.2 billion for education, labor, and health and human services.[5,6]

This brief provides an overview of key provisions outlined in H.R. 1968 to sustain critical public health services, extend Medicare and Medicaid support, and continue funding essential healthcare programs.

Relevant Dates for H.R. 1968

12/21/2024	The American Relief Act (H.R. 10545) is signed into law by President Biden, extending government funding until March 2025.[4]
3/10/2025	H.R. 1968 is introduced in the US House of Representatives.[5]
3/11/2025	H.R. 1968 is passed in the US House of Representatives.[5]
3/14/2025	H.R. 1968 is passed in the US Senate.[5]
3/15/2025	H.R. 1968 is signed by President Trump and became law.[5]

Public Health Extensions

Community Health Centers

Located primarily in medically underserved urban and rural communities, community health centers (CHCs) serve all patients regardless of their ability to pay. CHCs provide a range of behavioral, medical, and supportive services.[7] H.R. 1968 extends funding for CHCs, allocating $2 billion to ensure continued access to primary healthcare services in underserved communities.[5]

Teaching Health Centers Graduate Medical Education

The Teaching Health Centers Graduate Medical Education (THCGME) Program trains physicians and dentists in community-based settings, focusing on rural and underserved communities. It aims to expand healthcare access, improve outcomes, and strengthen the local health workforce.[8] H.R. 1968 extends funding for the THCGME program, allocating $88 million to support resident training in these community-based programs, ensuring continued healthcare access in underserved areas.[5,8]

National Health Service Corps

The National Health Service Corps (NHSC) is a federal program that offers scholarships and loan repayments to healthcare professionals working at approved sites or serving in Health Professional Shortage Areas (HPSAs) across the nation.[9] H.R. 1968 extends funding for NHSC by allocating $173 million to support healthcare workforce development.[5]

Special Diabetes Program

The Special Diabetes Program for Type 1 Diabetes Research is a federally funded initiative with two main components: the Special Statutory Funding Program for Type 1 Diabetes Research and the Special Diabetes Program for Indians.[10] The programs aim to further type 1 diabetes research and tackle the high prevalence of type 2 diabetes among American Indian and Alaska Native Communities.[10,11] H.R. 1968 allocates $80 million to extend the Special Diabetes Program to support ongoing research into type 1 and type 2 diabetes.[5]

Special Supplemental Nutrition Program for Women, Infants, and Children

The Special Supplemental Nutrition Program for Women, Infants, and Children (WIC) is a federal program that provides free healthy foods, nutrition education, breastfeeding support, and referrals to other services for income eligible pregnant and postpartum women, breastfeeding parents, and children under five.[12,13] In fiscal year 2024, the Consolidated Appropriations Act, 2024 (H.R. 4366) provided $7 billion in discretionary funding.[14] To continue supporting WIC, H.R. 1968 includes $8 billion in funding through September 2025.[5,15]

Extensions for Health and Human Services Programs

Telehealth Flexibilities

During the COVID-19 pandemic, Congress and the Centers for Medicare and Medicaid Services implemented various Medicare telehealth flexibilities.[16] H.R. 1968 extends key Medicare telehealth flexibilities, including waivers for geographic and originating site restrictions, practitioner eligibility expansion, and coverage for federally qualified health centers and rural health clinics. It also allows for audio-only telehealth, permits telehealth for hospice recertification, and delays the in-person visit requirement for tele-mental health services until September 30, 2025.[5,16]

Medicare-Dependent Hospital Program

Established in 1987, the Medicare-Dependent Hospital Program (MDHP) was designed to provide financial support to small rural hospitals with a large proportion of Medicare patients, accounting for a significant percentage of inpatient days or discharges. These hospitals, known as Medicare-Dependent Hospitals (MDHs) are rural hospitals where at least 60% of admissions or patient days are from Medicare patients. The program helps ensure that these hospitals, which often face financial challenges due to their small size and high proportion of elderly patients they serve, can continue to provide essential healthcare services to rural communities.[17] H.R. 1968 extends the MDHP program, ensuring continued support for these vital healthcare facilities in underserved rural communities.[5]

Delay in Medicaid Disproportionate Share Hospital Payment Reductions

The Medicaid Disproportionate Share Hospital (DSH) payment reductions refer to a series of planned cuts to payments that hospitals receive for providing care to higher-than-average number of low-income patients, including those covered by Medicaid.[18] These reductions were included in the Affordable Care Act to offset the expected decrease in the number of uninsured individuals as more people gained coverage through the Medicaid expansion.[18,19] However, these cuts have been repeatedly delayed since they were first schedule to begin in 2014.[19] H.R. 1968 continues to delay the cuts to DSH payments, which help hospitals that serve a large population of low-income and uninsured patients.[5]

Family-to-Family Health Information Centers

Family-to-Family Health (F2F) Health Information Centers are nonprofit organizations that provide free, confidential, and unbiased information and support to families of children and youth with special healthcare needs. They are run by families of children with special needs and are designed to help other families navigate the healthcare system. F2F information centers aim to empower families by helping them access services, understand their rights, and improve their children's health outcomes.[20] H.R. 1968 allocates $6 million in funding to continue supporting these centers.[5]

Conclusion

The continuing resolution (H.R. 1968) maintains funding levels from fiscal year (FY) 2024 but introduces significant changes, including increased spending for defense and immigration enforcement while reducing some non-defense allocations.[21] It reauthorizes various healthcare programs that increase flexibility for telehealth services, support public health, and boost payments to specific providers. However, it omits important elements of a bipartisan health package from the previous year, particularly the pharmacy benefit manager reform.[22] While the health extensions in H.R. 1968 provide crucial support for telehealth and public health, they fall short of addressing key reforms needed to improve the efficiency and affordability of healthcare in the long term.

References

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Did you know?

In the past five decades since the current budgeting and spending system was established, Congress has met all its appropriations deadlines on time only four times.[23]

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