

## FAQ: 2025 Lapse in Appropriated Government Funding

Last Update: 10/1/2025

### Background

On Wednesday, October 1, 2025, the US Federal Government shut down due to a lapse in funding. This lapse in funding means all non-essential and non-exempted employees who work within the government will be furloughed and non-essential and non-exempted programs will pause work until Congress passes a continuing resolution (CR) or appropriations bills for the 2026 fiscal year (FY26) for those agencies, employees, and programs.

### Status of Health Programs During a Lapse in Funding

The US Department of Health and Human Services (HHS) released its contingency plan for an FY26 government shutdown on Monday, September 29, 2025.<sup>1</sup> The contingency plan includes details on which programs will remain active and which will be impacted by a lapse of funding, as well as the number of employees that will be furloughed. Along with HHS, other agencies have released similar contingency plans outlining what programs will remain active.

Key programs that will remain active include, but are not limited to:

- Medicare, Medicaid, and the Children's Health Insurance Program;
- Social Security related payment services;<sup>2</sup>
- Office of the Inspector General Healthcare Fraud and Abuse related activities;
- Federal health insurance exchanges;
- Veterans Affairs medical centers, outpatient clinics, and veteran centers;<sup>3</sup>
- Department of War (DoW) and TRICARE medical/dental care services, except for elective care;<sup>4</sup>
- US Postal Services;<sup>5</sup> and
- Air travel-related support services.<sup>6</sup>

### *Medicare Administrative Contractors Claims Processing*

The Centers for Medicare and Medicaid Services (CMS) may direct Medicare Administrative Contractors (MACs) to implement a temporary hold on claims processing. CMS indicates this is standard practice that typically lasts up to 10 business days. This hold ensures Medicare payments are accurate and prevents the potential need to reprocess large volumes of claims at a later date.

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<sup>1</sup> <https://www.hhs.gov/about/budget/fy-2026-hhs-contingency-staffing-plan/index.html>

<sup>2</sup> <https://www.ssa.gov/agency/shutdown/materials/contingency-plan-10-01-25.pdf>

<sup>3</sup> <https://department.va.gov/contingency-planning/>

<sup>4</sup> <https://media.defense.gov/2025/Sep/27/2003809363/-1/-1/1/CONTINGENCY-PLAN-GUIDANCE-FOR-CONTINUATION-OF-OPERATIONS-IN-THE-ABSENCE-OF-APPROPRIATIONS.PDF>

<sup>5</sup> <https://about.usps.com/newsroom/statements/092525-postal-service-not-affected-by-a-government-shutdown.htm>

<sup>6</sup> [https://www.dhs.gov/sites/default/files/2025-09/2025\\_0929\\_dhs\\_procedures\\_related\\_to\\_a\\_lapse\\_in\\_appropriations.pdf](https://www.dhs.gov/sites/default/files/2025-09/2025_0929_dhs_procedures_related_to_a_lapse_in_appropriations.pdf)

CMS indicates this hold is expected to have a minimal impact on providers due to the 14-day payment floor and providers should continue to submit claims for processing during the hold period.

#### *Telehealth*

In absence of Congressional action, Medicare telehealth restrictions will return to pre-COVID-19 limitations for non-Accountable Care Organization (ACO) providers as of 10/1/25. CMS issued the recommendation that providers seeking to provide non-Medicare covered telehealth services provide patients with an [Advance Beneficiary Notice of Coverage](#). Additionally, CMS encourages providers to evaluate with the appropriate organizational leadership the need to hold telehealth claims not payable by Medicare in absence of Congressional action. CMS recommends providers continue to monitor the [Medicare telehealth](#) services webpage for further updates.

#### **Next Steps**

Federal employees will return to work and programs impacted by the lapse in federal appropriations will resume the business day following the passage of an FY26 omnibus bill, FY26 agency specific funding bills, or an FY26 CR and corresponding signature by the President of the United States.

The AHIMA Policy and Government Affairs Team will continue to monitor the developing situation in Washington and will provide updates as needed. Please contact [advocacy@ahima.org](mailto:advocacy@ahima.org) with any questions.