



## WRAP UP: 2025 STATE LEGISLATIVE ACTION ON AFFORDABILITY

### EXECUTIVE SUMMARY | AUGUST 2025

Health care spending continues to climb, putting increased pressure on family budgets as people face soaring out-of-pocket costs and rising premiums. The burden of rising costs is also applying pressure on employers and squeezing state budgets. This affordability crisis was a driving factor in state health policy during 2025 legislative sessions, as states tried to balance budget shortfalls and significant changes to federal health priorities.

### *State Policy Trends and Solutions*

During increasingly tumultuous times with tight budgets, state action in 2025 proves it is possible to reduce high health care spending, improve health outcomes, and protect state budgets without cutting access to coverage. Our analysis of the 2025 legislative session reveals three state policy trends furthering these efforts:

#### 1 States Took Action to Lower Hospital Prices and Address Hospital Consolidation by:

- Adopting reference-based pricing for hospitals to lower health costs and save states money.
- Increasing health care transaction oversight to limit negative impacts on patients.
- Regulating increasing corporate influence and ownership of health care entities.
- Furthering payment reforms that incentivize providing quality, affordable patient-first care.

#### 2 States Advanced Health Care Consumer Protections by:

- Lowering out-of-pocket costs by limiting unexpected hospital facility fee charges.
- Protecting people from surprise bills stemming from ground ambulance services.
- Ensuring access to the no-cost preventive services recommended by independent, expert panels.
- Reducing or eliminating current medical debt and supporting solutions to keep people from incurring medical debt in the future.

#### 3 States Preserved Access to Health Care Coverage by:

- Creating and strengthening state-based premium relief programs to help offset expiring Marketplace enhanced premium tax credits and future coverage losses.
- Providing solutions to advance maternal health coverage and access through comprehensive “Momnibus” bill packages.
- Reforming health insurance prior authorization processes to limit coverage delays and maintain physician decisionmaking in prior authorization review.

### *What This Means for Federal Policymakers*

The Trump White House has moved full steam ahead to advance its “Make America Healthy Again” agenda, leaving states to absorb the programmatic shocks created through major regulatory changes, controversial political appointments, and the large-scale downsizing of federal health programs and departments. States are also left to deal with the fallout of the recently-enacted H.R. 1, which contains over \$1 trillion in cuts to the Medicaid program and the ACA Marketplace and will lead to an estimated 11.8 million people losing coverage.

### *Looking Forward*

As state legislators move into 2026 and beyond, states will be burdened with repairing the damage of federal cuts on health care coverage, affordability of care, and the stability of the health care system overall, outside of their budget processes. States will need to leverage a wide range of policy solutions, many covered in this report, to meet these challenges. At the federal level, there are plenty of opportunities for bipartisan collaboration and momentum on the critical reforms led by states to build a better health care system.

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