



FAL Briefing Memo

December 2025

Federal Agencies.

- **Centers for Medicaid and Medicare Services:** On November 25, 2025, CMS issued its proposed CY 2027 Medicare Advantage [proposed rule](#). APTA is analyzing the proposed rule and as in recent years will plan to prepare comments by the close of the sixty-day comment period.
- **Department of Education:** APTA statement on the Department of Education's proposal on professional degree status for the purposes of federal student loans: [Statement | DOE Proposal Threatens Physical Therapy Recognition and Health Care Workforce | APTA](#)

APTA has also posted via social media post featuring a video message from APTA Board Member Heather Jennings, PT, DPT:

- [Facebook post](#)
 - [LinkedIn post](#)
 - [Instagram](#)
 - [Threads](#)
- **CMS:** On December 3, 2025, alongside other members of the [CPR/HAB Coalition](#), APTA met with the Center for Consumer Information and Insurance Oversight (CCIO) staff to discuss the repeal of therapy caps under ACA Marketplace plans. The coalition urged CCIO to remove the therapy caps permanently and offered alternatives such as the KX modifier used under the Medicare program.
- **CMS:** On November 24, 2025, APTA and APTQI had our rescheduled meeting with CMS that was to be the day the shutdown began regarding the Medicare Physician Fee Schedule rule. CMS was well-represented including the Director and Deputy Director of the Hospital and Ambulatory Policy Group. APTA and APTQI sought clarity on some of the indirect practice expense issues that we have been unable to explain in the final PFS rule (variability in indirect PE and volatility in the IPCI). CMS was candid that it did not have answers and would have to dig in further. We also touched upon the CPI survey that CMS rejected and next steps on favorable handling of equipment in response to invoices we provided in our comments on the proposed rules (e.g., equipment considered new and not currently included in any CPT or HCPCS codes but is available

for potential future inclusion in services if this version of exercise equipment is determined to be the typical standard of care).

- **CMS:** On November 28, 2025, CMS released the final rule for the FY 2026 Home Health Perspective Payment System. Home health agencies will see a 1.3% cut to Medicare payments in 2026—an improvement over the initial proposal which called for up to a 9% cut. Instead, the new rule includes a 1.023% permanent cut to home health agency reimbursement rates and a 3% temporary reduction, or a \$220 million decrease in payments compared to 2025.

In addition to setting payment rates for home health agencies (HHAs), the final rule:

- Finalizes changes to who may conduct the face-to-face encounter (home health)
- Changes accreditation processes for DME providers.
- Updates the Home Health Quality Reporting Program (QRP) by removing COVID-19 and several assessment items.
- Finalizes updates to the Home Health Consumer Assessment of Healthcare Providers and Systems survey beginning April 2026.
- Includes an update to the Home Health Value Based Purchasing Program to reflect the new HHCAPHS survey and proposes four new measures.
- Finalizes Medicare provider enrollment changes.

U.S. Congress

- **2026 Labor-HHS Appropriations Bill:** On November 25, 2025, alongside other members of the Disability and Rehabilitation Research Coalition, APTA signed on to a [letter](#) to Senate leadership asking for passage of the Senate L-HHS bill.
- **Department of Education:** On November 24, 2025, Congressman Mike Lawler (R-NY) sent a letter to Education Secretary Linda McMahon encouraging the Department of Education to maintain a broader definition of “professional degrees” consistent with federal law and workforce needs. Lawler stressed that too many hospitals, clinics, and long-term care facilities are already struggling to recruit skilled workers, and any ambiguity or restrictive interpretation from the Department risks worsening national workforce shortages. “The Department must update its proposed rule so that students in nursing, physical therapy, occupational therapy, and other critical workforce fields will not be squeezed out of the graduate loan support Congress intended for them.” said the Congressman. The letter to Secretary Linda McMahon can be found [HERE](#).

In addition, on December 5, 2025, Rep. Kennedy (D-NY) was joined by 69 other House Democrats in a sign-on letter to Secretary Linda McMahon expressing their concerns about the proposal and urging the Department of Education to reconsider it; that letter to Secretary McMahon can be found [HERE](#).

APTA Articles of Interest

- [IDEA at 50: What the Education Law Has Accomplished and How to Protect It | APTA](#)
- [Final 2026 Home Health Rule: CMS Reduces Impact of PDGM Cut | APTA](#)
- [IDEA at 50: What the Education Law Has Accomplished and How to Protect It | APTA](#)
- [Article | CMS Updates Guidance to Reflect Current Plan of Care Signature Exception | APTA](#)
- [Breaking Barriers to Care: APTA's Report on Direct Access to Physical Therapy | APTA](#)
- [APTA President's Message | 2025 in Motion | APTA](#)
- [Statement | DOE Proposal Threatens Physical Therapy Recognition and Health Care Workforce | APTA](#)
- [CMS Finalizes Fee Schedule Pay Bump for the First Time in 5 Years | APTA](#)
- [News | Government Shutdown Ended: Telehealth Flexibilities Extended Until Jan. 30, 2026 | APTA](#)
- [What I Learned About Advocacy as APTA's Harker Intern in 2025 | APTA](#)