What the 2025 government shutdown means for healthcare and employers

Discover the impacts of the 2025 government shutdown on healthcare and employers, from regulatory delays to immigration processing interruptions.

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As of October 28, the federal government remains in a shutdown entering its fourth week, with no funding agreement yet reached. Large portions of federal agency employees, including those at the Department of Health and Human Services (HHS), the Centers for Disease Control and Prevention (CDC), and the Centers for Medicare & Medicaid Services (CMS), remain furloughed, though critical operations continue at reduced capacity.

What this means for healthcare

- Strained oversight and regulation: with limited agency staff, regulatory guidance, audits, and compliance support continue to face delays. CMS investigations into complaints that allege *immediate jeopardy or actual harm* remain ongoing despite the shutdown.
- Medicare and Medicaid: core payments are still being processed however, most certification and survey activities are paused, meaning providers should expect prolonged delays in approvals and renewals.
- ACA premium subsidies: a major sticking point in the shutdown remains the future of enhanced premium subsidies, which are set to expire at the end of 2025. As Affordable Care Act Marketplace Open Enrollment begins November 1 in most states, enrollees could face significantly higher premiums if these subsidies are not extended.

What employers should watch

- E-Verify restored: after a temporary outage early in the shutdown, E-Verify was restored on October 7. Employers should promptly enter any backlogged cases and note that Form I-9 completion within three business days remains mandatory.
- Immigration and visas: processing delays persist, potentially affecting onboarding timelines and workforce planning.
- Enforcement agencies: OSHA and the Department of Labor continue operating with reduced staff. Employers must still comply with wage, safety, and labor laws, though audits, investigations, and case resolutions are likely to lag.

What's next

With the shutdown now entering its fourth week and no clear resolution in sight, its impact on healthcare operations and workforce management continues to deepen. While agencies are prioritizing essential services, mounting delays in regulatory approvals, provider certifications, and immigration processing are increasingly straining both healthcare providers and employers nationwide.

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