



June 28, 2025

Dear Senator,

On behalf of the Federation of American Hospitals (FAH) and our more than 1,000 member hospitals across the country, we urge you to protect patient access to hospital care in your state by rejecting devastating cuts to Medicaid.

**As written, the FAH opposes the Senate reconciliation legislation, which would have a damaging impact on patients and the hospitals across the country who care for them. The FAH urges the Senate to amend their language to instead strike a balanced approach that protects the Medicaid program and avoids draconian cuts that go far beyond rooting out “waste, fraud, and abuse.”**

The Senate bill contains substantially deeper Medicaid cuts compared to its House counterpart. These cuts will pull Americans’ federal tax dollars from communities across the nation, slashing funding for patient care and causing a domino effect that will increase costs and reduce hospital access for families with private insurance, seniors on Medicare, and vulnerable kids and adults alike.

The FAH is the national representative of over 1,000 leading tax-paying hospitals and health systems throughout the United States. FAH members provide patients and communities with access to high quality, affordable care in both urban and rural areas across 46 states, plus Washington, DC and Puerto Rico. Our members include teaching, acute, inpatient rehabilitation, behavioral health, and long-term care hospitals and provide a wide range of inpatient, ambulatory, post-acute, emergency, children’s, and cancer services.

The Senate text contains unrealistic limits on provider taxes and state-directed payments (SDPs), drastically changing the way Medicaid is financed, and directly undercutting critical sources of revenue that allow states to support hospitals that disproportionately serve Medicaid patients. These funding mechanisms are critical to ensuring that Medicaid Managed Care plans have adequate networks of participating providers to ensure services to Medicaid patients.

The FAH supports the goal of boosting the American economy and workforce with pro-growth tax policies; however, arbitrary limits on provider taxes and SDPs jeopardize access to care for the very same working Americans who would reap certain tax benefits. These cuts would hit particularly hard in rural and underserved areas, where rural hospitals are already operating on thin margins.

We urge you to modify this bill to stand up for the working poor, vulnerable population, providers, and communities that rely on stable and predictable Medicaid funding. We stand ready

to work with you to ensure that the final legislation protects the Medicaid financing tools states depends on and sustains the hospitals that serve them.

Thank you for your attention to this critical matter.

Sincerely,

A handwritten signature in blue ink, appearing to read "Charlene MacDonald".

Charlene MacDonald  
Executive Vice President, Public Affairs