



Charlene MacDonald
Executive Vice President, Public Affairs

September 2, 2025

The Honorable Mike Johnson
Speaker
U.S. House of Representatives
Washington, DC 20515

The Honorable John Thune
Majority Leader
U.S. Senate
Washington, DC 20515

The Honorable Hakeem Jeffries
Minority Leader
U.S. House of Representatives
Washington, DC 20515

The Honorable Charles Schumer
Minority Leader
U.S. Senate
Washington, DC 20515

Dear Speaker Johnson, Majority Leader Thune, Minority Leader Schumer, and Minority Leader Jeffries:

On behalf of the Federation of American Hospitals (FAH), we look forward to working with lawmakers during the final months of the first session of the 119th Congress to preserve patient access to hospital care by extending several critical health programs set to expire.

Over the next four months, Congress has a critical opportunity to strengthen health care choice and affordability nationwide by extending the enhanced premium tax credits (EPTCs) in the individual market and support rural hospitals by extending key rural hospital funding programs.

The FAH is the national representative of nearly 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.

As Congress returns from recess and negotiations over government funding and end-of-year legislation begin, we call on lawmakers to support hospitals and the patients we serve by considering the FAH's legislative priorities outlined below.

Extend the Enhanced Premium Tax Credits for Hardworking Americans

We urge Congress to work in a bipartisan manner to extend the tax credits for health insurance that are set to expire at the end of 2025.

These tax credits give hardworking American families increased financial security by significantly reducing the cost of health insurance premiums. Without an extension of the tax credits, nearly 20 million people will pay an average of 90% more for their health care coverage, with Americans living in southern states and the heartland disproportionately feeling

the financial impact.¹ The Americans who rely on these tax credits are hardworking, entrepreneurial people – those who are self-employed, small business owners, in the building trades, farmers and ranchers, hourly workers, and in the gig economy.

Importantly, the *One Big Beautiful Bill Act (OBBBA)* and recent actions by the Trump Administration in the Marketplace Integrity and Affordability rule addressed fraudulent enrollment in marketplace plans. These measures include stricter enrollment and income verification, limited special enrollment periods, more frequent eligibility redeterminations, and required income tax filing and repayment of enhanced PTC amounts. These efforts seek to rid the marketplace of waste, fraud, and abuse, and ensure that small businesses, gig workers, and other working individuals without the benefits of employer-sponsored insurance benefit from access to quality, affordable coverage.

If the tax credits are not extended, younger, healthier enrollees are projected to leave the market at a higher rate than those with more health care needs, which will create an overwhelmingly older, sicker risk pool, thus increasing premiums for those who need insurance most. Without an extension of the enhanced PTCs, marketplace participants with very low incomes who currently pay no premium would see their cost of coverage rise \$387 annually,² while those in the next lowest income category would see their premiums increase 573%. For Americans with incomes below 250% of the Federal Poverty Level (FPL), the average annual increase in premiums could be as much as \$924 a year, as is expected in Alaska.

The enhanced premium tax credits are particularly important for people living in rural areas where options for health care services are often more limited and harder to reach, and the cost of insurance is typically higher. In five states – Texas, South Carolina, Mississippi, Louisiana, and Georgia – the PTCs approximately doubled the size of the nongroup health insurance market in 2025 and resulted in a 21% or greater decline in the uninsured rate in each of these states, according to a recent study.³ These individuals and families are among the nearly 50 million Americans who have gained coverage through the individual market for health insurance at some point over the past decade.⁴

Without action, an estimated 4.2 million Americans will lose their coverage completely by 2034.⁵ Enrollment declines and market destabilization have the potential to force some insurers to exit markets entirely, which could lead to the creation of health insurance deserts – regions of the country in which no private insurance is available to consumers who purchase coverage on their own. Extending the enhanced PTCs ensures the continued stability of the individual market, allowing consumers in urban and rural areas alike to shop for affordable health coverage through the private sector.

We call on Congress to extend the EPTCs at the next legislative opportunity to ensure affordable health insurance options are within reach for millions of Americans. This will allow small businesses and individuals to be full participants in the American economy, instead of worrying about how to afford health coverage that meets the needs of their families.

Support Rural Hospitals by Extending the Medicare-Dependent Hospital (MDH) and Low-Volume Hospital (LVH) Adjustment Payment Programs

Rural hospitals play a pivotal role in providing access to care for over 60 million Americans in underserved communities.⁶ These hospitals often operate on slim financial margins and depend on critical payment programs like the Low-Volume Hospital (LVH) and Medicare-Dependent Hospital (MDH) programs to provide financial stability and maintain the health infrastructure of rural areas.

We call on Congress to ensure the LVH and MDH payment programs are extended alongside government funding legislation before they expire at the end of the fiscal year. Instead of stopgap measures, lawmakers should ensure the long-term fiscal stability of rural hospitals by including a long-term extension of these two crucial rural hospital payment programs.

¹ [Inflation Reduction Act Health Insurance Subsidies: What is Their Impact and What Would Happen if They Expire? | KFF](#)

² [Household Spending on Premiums Would Surge if Enhanced Premium Tax Credits Expire | Urban Institute](#)

³ [Who Benefits from Enhanced Premium Tax Credits in the Marketplace? | Urban Institute](#)

⁴ [U.S. Department of the Treasury Releases New Data Showing Nearly 50 Million Americans Have Been Covered Through Affordable Care Act Health Insurance Marketplaces Since 2014 | U.S. Department of the Treasury](#)

⁵ [CBO - Re: Estimated Effects on the Number of Uninsured People in 2034 Resulting From Policies Incorporated Within CBO's Baseline Projections and H.R. 1, the One Big Beautiful Bill Act](#)

⁶ [Why Health Care Is Harder to Access in Rural America | U.S. GAO](#)

We thank Congress for their commitment to-date in supporting these programs and prioritizing access to care in rural areas by seeking solutions to our country's rural health care problems.

Strengthen Medicaid and Delay Implementation of Medicaid Disproportionate Share Hospital (DSH) Cuts

The Medicaid Disproportionate Share Hospital (DSH) program is vital in assisting hospitals that serve high numbers of Medicaid and uninsured patients. More than 2,500 hospitals in the U.S. receive DSH payments to address Medicaid underpayment and uncompensated care. With almost \$1 trillion in cuts to the Medicaid program on the horizon, we ask that Congress take bipartisan action to eliminate or further delay the implementation of reductions to the DSH payments set to take effect at the end of the calendar year.

These payments ensure patients have access to critical services including trauma, burn care, high-risk neonatal care, and hospital access throughout natural disasters and pandemic events. We urge Congress to preserve America's health care safety net and support the vulnerable populations who rely on it.

We appreciate Congress' commitment to health care legislation that prioritizes the needs of the American people, and we look forward to working with lawmakers to achieve our shared goals. Addressing these policy proposals will help provide long-term stability to hospitals across America to ensure we can continue to fulfill our mission of providing patients with access to the quality care they need.

If you have any questions or wish to speak further, please do not hesitate to reach out to me at CMacDonald@fah.org.

Sincerely,

A handwritten signature in blue ink, appearing to read "C. MacDonald", is positioned below the "Sincerely," text.