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WHA Expresses Concerns with House Budget Impact on Medicaid & Medicare as Congress Advances Plans for Reconciliation Package

On Feb. 25, WHA sent a letter expressing concerns with how the U.S. House of Representatives Budget Committee resolution could impact Wisconsin hospitals and health systems as part of a broader effort to look at federal spending in Medicare and Medicaid.

The resolution instructs the House Energy and Commerce Committee, which has jurisdiction over these programs, to find \$880 billion in savings over the next 10 years. While the House Budget resolution itself contains no cuts to Medicaid, Medicare or Social Security, WHA President and CEO Eric Borgerding noted in the letter that "it is hard to imagine where the \$880 billion in savings will come from if not from Medicare and Medicaid."

In the letter, Borgerding went on to express concern over how various changes to elements like Medicaid state plan design, Medicaid work requirements, repealing hospitals' not-for-profit status, site-neutral Medicare payments, and allowing the ACA Marketplace enhanced premium subsidies to expire could impact Wisconsin hospitals and health systems. Instead of cutting funding for hospitals that provide a safety-net for vulnerable populations, WHA argued that policymakers should take a closer look at the health care middlemen who are taking an increasingly bigger bite out of the health care dollar, noting a 2023 article from *The Economist* which found that the nine biggest health care middlemen including insurers and pharmacy benefit managers increased their combined revenue as a percent of America's health care spending from 25% in 2013 to an astounding 45% just nine years later.

Despite a growing chorus of concern from many members of Congress over the potential impact on Medicaid, the House ended up ultimately passing the resolution the evening of Feb. 25 after initially telling members it was canceling the vote that night.

Because the U.S. Senate passed a budget resolution with a much smaller number that did not contain similar instructions for its health care committees to find savings, the House and Senate will need to reconcile their differences before they can move forward on a budget reconciliation package that has more details. Some Republican senators have said they will not vote for a

reconciliation package that contains Medicaid cuts, making it difficult to predict what will happen next.

"I'm not going to vote for Medicaid cuts," said U.S. Senator Josh Hawley when speaking to CNN reporter Manu Raju the day after the House vote. Hawley elaborated that he is fine with work requirements for Medicaid but that he would not vote for anything slashing benefits for people who are working, adding that Missouri, the state he represents, has one-fifth of its population on Medicaid. Similarly, President Trump has said he will "love and cherish" Medicare, Medicaid and Social Security. "We're not going to do anything with that unless we can find some abuse or waste," the President told reporters in January.

WHA will continue to advocate for protecting Wisconsin hospitals and health systems as Congress presses forward to find a reconciliation package compromise. Contact WHA Vice President of Federal and State Relations Jon Hoelter with questions.