



October 27, 2025

Members of the Pennsylvania General Assembly:

This week, hospital leaders from across Pennsylvania are convening in Harrisburg to meet with legislators and discuss the most pressing challenges facing access to care in our communities.

Hospitals are at a critical crossroads. They have been chronically underfunded and federal legislation (H.R. 1) will reduce payments for patient care by \$4.5 billion statewide over 10 years. Medicaid is one of hospitals' largest payors, yet it already reimburses Pennsylvania hospitals only 71 cents for every dollar of care provided. When these cuts are fully phased in, that figure will fall to 64 cents per dollar, further destabilizing hospitals that are already operating on thin margins. As many as 310,000 Pennsylvanians are expected to lose Medicaid coverage, resulting in sicker communities and increased uncompensated care burden on hospitals.

These reductions will have real-world consequences. They will jeopardize access to care, particularly in rural and underserved areas; lead to job losses; and threaten the health and economies of communities across the commonwealth.

Pennsylvania's medical liability climate also threatens access to care. Escalating legal costs and liability insurance premiums make it increasingly difficult to sustain high-risk services, such as obstetrics and trauma care, and discourage physicians and other providers from practicing in our state. Hospitals need partnership from all levels of government to keep providers here and maintain access to essential care in local communities.

Strong hospitals are the backbone of strong communities. They are community anchors, providing care close to home and driving local economies.

We urge lawmakers to act now to protect access to care and economic competitiveness:

- Ensure sustainable hospital payments to reflect the real cost of care.
- Expand rural hospital payment models that ensure long-term sustainability.
- Attract and retain health care workers through incentives and training pipelines.
- Modernize outdated regulations to support innovation and efficiency.
- Enact medical liability reforms to keep providers and preserve high-risk services.

HAP stands ready to partner with you on policies that support healthy, vibrant communities.

Sincerely,

Nicole Stallings
President and CEO
The Hospital and Healthsystem Association of Pennsylvania