



July 2, 2025

Dear members of Pennsylvania's congressional delegation:

On behalf of more than 235 hospitals and health systems in Pennsylvania that care for every Pennsylvanian, every day, we urge you to oppose the Senate-passed One Big Beautiful Bill Act. This legislation will destabilize the commonwealth's hospitals, and the entire continuum of care, by slashing \$4.5 billion from critical Pennsylvania hospital funding that keeps care and services in our communities.

The House recognized the need to preserve existing payments on which hospitals depend to maintain care and services for your constituents. While we continue to emphasize the need to address the rising cost of providing care, the House bill would have frozen, rather than cut, current payments.

The Senate bill's cuts to hospital funding, through state-directed payments and provider taxes, represent the most direct threat to Pennsylvania hospital stability in recent memory. Combined with significant health care coverage losses, these cuts will put hospitals and Pennsylvanians' access to care at risk.

You have heard about the complexities of Medicaid reimbursement and understand that hospitals rely on the program to cover a portion of what it actually costs to care for patients. Ahead of your consideration of the reconciliation bill, we want to cut through the noise with two messages.

First, if hospitals in your districts close or are forced to reduce services, it will not be because of mismanagement or lack of concern for their communities. It will be because they can no longer keep their doors open as a result of being paid well below what it costs to provide care. It is simple economics: Payment that is below real costs is bad math. Any other industry would have collapsed by now, and hospitals are on the brink.

Second, we understand the need to evaluate opportunities for more efficiency and to eliminate waste. We welcome the opportunity for a meaningful discussion to achieve those aims; but, the Senate bill takes a sledgehammer where we need a scalpel.

The consequences of these cuts will not happen in a vacuum. Hospitals support one in every nine Pennsylvania jobs and are often the top employers in their communities. We know that businesses invest in communities where a robust infrastructure exists, including access to health care. This is especially true in rural communities, where hospitals are economic anchors and provide essential health care services that make communities livable and competitive.



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The Senate-passed legislation would cost Pennsylvania an estimated 526,000 jobs and \$71 billion in lost economic impact over the next decade.

The Senate bill will accelerate hospitals' financial challenges, leaving a lasting, negative legacy on your communities. Please oppose the Senate-passed One Big Beautiful Bill Act.

Sincerely,

Nicole Stallings
President & CEO