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URGENT:

Kids' Health Care at Risk Under Reconciliation

Make no mistake – this proposal threatens **all children's** access to vital health care services. Provisions in the bill would negatively impact states' Medicaid funding streams, potentially reducing reimbursements to children's hospitals. Decreased Medicaid reimbursement will jeopardize access to care for all kids, even those with private insurance.

WANT TO PROTECT AMERICAN KIDS? TAKE THESE STEPS:

Continue flexibility for state directed payments.



State-directed payments mitigate the difference between base Medicaid reimbursement rates and the actual cost of care. This critical financial support accounts for 37% of children's hospitals' Medicaid funding and 14% of their overall operating resources. This proposal caps existing payments at Medicare levels over time, causing a **42% decrease to children's hospitals at the 10 year period**. For states with a new SDP arrangement after enactment of the legislation and subject to new Medicare limits on these payments, children's hospitals would receive SDPs that are 57% below total Medicaid reimbursement (base payments and SDP) levels in place today.

Remove the provider tax cuts.



Many states use provider taxes to fund their Medicaid programs and support providers that treat a large volume of Medicaid patients. **Over 50% of children's hospital patients utilize Medicaid, with some as much as 80%.** The Senate bill phases down the provider tax cap for expansion states to 3.5% starting in FY 2027, while freezing it at 6% for non-expansion states. Combined with a moratorium on new or increased taxes, this would cut **\$14.5 billion in Medicaid funding** that would be available for providers – including children's hospitals – over 10 years.



Proposed Medicaid cuts directly threaten children's hospitals and the pediatric patients they serve. We urge you to protect children to ensure all children have access to lifesaving care.

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