



**Written Testimony of
Brad Woodhouse
President, Protect Our Care**

before the Committee on Education & Workforce
Subcommittee on Health, Employment, Labor, and Pensions
U.S. House of Representatives

"Direct Contracting: A Prescription for Lower Health Care Costs"

July 1, 2026

Introduction

Chairman Allen, Ranking Member DeSaulnier, and distinguished members of the committee, thank you for the opportunity to testify today. My name is Brad Woodhouse, and I'm the President of Protect Our Care. Our mission is to make high-quality, affordable health care a right, and not a privilege for everyone in America. I'm here today because that mission is under direct threat.

By passing H.R. 1, President Trump and Congress delivered the largest cuts to health care¹ in American history, all to fund tax breaks² for billionaires and big corporations. They slashed over \$1 trillion from Medicaid and the Affordable Care Act (ACA), which will rip lifesaving coverage from 15 million³ Americans, including seniors, children, and people with disabilities. While direct contracting between health care providers and employers may be a model worth exploring to reduce costs, it represents a bandaid on the gaping wound opened by H.R. 1 in coverage and affordability for millions of Americans.

Already, five million⁴ people have lost their health care coverage. Costs are skyrocketing for millions more, and patients are making impossible choices between paying for groceries and seeing a doctor. Small businesses are shutting down and families are being left with nowhere to turn. The ripple effect of these cuts have catapulted health care as the number one issue in America. A recent Gallup Poll showed⁵ that an increasing number of Americans are unable to afford health care, hitting 2.8 million in 2025.

Americans are seeing prices for specialized drugs continue to climb. H.R. 1 expanded⁶ the exclusion of orphan drugs from Medicare drug price negotiation, delaying popular cancer drugs, Keytruda and Opdivo, from being included in price negotiation this year. Deferring drug price negotiation for orphan drugs increases⁷ out-of-pocket costs for patients and Medicare spending. Delaying or excluding orphan drugs not only means higher costs for patients, but will also cost the federal government \$8.8 billion⁸ over the next decade in lost Medicare savings. Meanwhile, Democrats are fighting to lower drug costs for all Americans. Last year, Congressmen Pallone,

¹ Blood Cancer United, 5/22/25:

<https://bloodcancerunited.org/largest-healthcare-cuts-history-passed-house-and-senate>

² Center for American Progress, 7/3/25:

<https://www.americanprogress.org/article/1-trillion-in-medicaid-cuts-1-trillion-in-tax-giveaways-for-the-richest-1-percent-the-one-big-beautiful-bills-budget-math/>

³ Center on Budget and Policy Priorities, 8/27/25:

<https://www.cbpp.org/research/health/by-the-numbers-harmful-republican-megabill-will-take-health-coverage-away-from>

⁴ Protect Our Care, 6/22/26:

<https://www.protectourcare.org/new-report-over-five-million-americans-lost-coverage-in-the-year-following-trump-gop-health-care-cuts/>

⁵ Gallup, 6/18/26: <https://news.gallup.com/poll/710942/adults-ability-afford-healthcare-five-year-low.aspx>

⁶ KFF, 10/20/25:

<https://www.kff.org/medicare/people-with-medicare-will-face-higher-costs-for-some-orphan-drugs-due-to-changes-in-the-new-tax-and-budget-law/>

⁷ *Ibid*

⁸ *Ibid*

Neal, and Scott introduced the Lowering Drug Costs for American Families Act co-sponsored by Ranking Chair DeSaulnier and Representatives Courtney, Hayes, and Mannion. The bill allows Medicare to negotiate more drug prices each year, makes the negotiated prices available to the commercial insurance market, limits out-of-pocket costs on prescription drugs, caps insulin at \$35 per month for everyone, and closes drug pricing loopholes in H.R. 1.⁹ The Lowering Drug Costs for American Families Act will deliver true affordability – not empty promises and backroom deals – on prescription drugs, which consistently ranks as a top affordability concern for American families.¹⁰

Following the passage of H.R. 1, Protect Our Care launched Hospital Crisis Watch¹¹, an interactive map tracking hospitals, nursing homes, and other types of care facilities that have shut down or are at risk of shutting down or cutting services due to these devastating funding cuts. This project has already reached the grim milestone of 1,000 hospitals or health facilities that have closed, announced cuts, or are at high risk.

When hospitals close, patients have to travel further for care, families face longer wait times in overwhelmed emergency rooms, expectant moms are left without accessible maternity care, and costs go up for everyone. As the sixth largest employer in the country, hospitals are key economic drivers, especially in rural areas. But because of Congress, nearly 500,000 health care workers could lose their jobs¹². Entire communities will be left without access to care while CEOs and billionaires get even richer. As our interactive map and report show, the consequences of H.R. 1 are already playing out, and things will only get worse in the years to come.

H.R. 1: Skyrocketing Costs and Millions More Americans Without Insurance

No matter where they live or work, or who they voted for, the American people want health care to be more affordable and accessible. However, H.R. 1 is sweeping across our country ripping care away from millions and forcing people to pay more for less. These unprecedented cuts to health care:

- Resulted in 5 million¹³ people losing their Medicaid or Marketplace coverage in just one year after H.R. 1 was signed into law.

⁹ House Ed & Workforce Democrats:

https://democrats-edworkforce.house.gov/imo/media/doc/lowering_drug_costs_for_american_families_act_of_2025_fact_sheet.pdf

¹⁰ KFF, 3/31/26: <https://www.kff.org/health-costs/public-opinion-on-prescription-drugs-and-their-prices/>

¹¹ Protect Our Care:

https://www.protectourcare.org/wp-content/uploads/2026/06/Report_Hospital-Crisis-1000.pdf

¹² Commonwealth Fund, 6/23/25:

<https://www.commonwealthfund.org/publications/issue-briefs/2025/jun/how-medicaid-snap-cutbacks-one-big-beautiful-bill-trigger-job-losses-states>

¹³ Protect Our Care, 6/22/26:

<https://www.protectourcare.org/new-report-over-five-million-americans-lost-coverage-in-the-year-following-trump-gop-health-care-cuts/>

- Cut funding for Medicaid and the ACA by over \$1 trillion¹⁴ to pay for tax breaks for millionaires¹⁵ and corporations¹⁶.
- Will rip health care away from 15 million Americans¹⁷, including seniors¹⁸, children¹⁹, veterans²⁰, and people with disabilities²¹.
- Doubled and tripled premiums for over 20 million²² hardworking Americans, including small business owners²³, farmers²⁴, and older adults²⁵.
- Generated billions in tax breaks for the rich by choking seniors and working families in red tape and making it harder to enroll in Medicare²⁶, Medicaid²⁷, and ACA coverage²⁸.
- Led to over 1,000²⁹ hospitals, clinics, and nursing homes shutting down, cutting services, or being at risk of closure and cuts

¹⁴ Center on Budget and Policy Priorities, 8/27/25:

<https://www.cbpp.org/research/health/by-the-numbers-harmful-republican-megabill-will-take-health-coverage-away-from>

¹⁵ Center on Budget and Policy Priorities, 9/3/25:

<https://www.cbpp.org/blog/republican-megabills-tax-cuts-for-millionaires-are-financed-by-taking-health-insurance-from-47>

¹⁶ Americans for Tax Fairness, 7/31/25:

<https://americansfortaxfairness.org/medicaid-medicare-turn-60-congress-enacts-law-guts-coverage-local-hospitals-finance-tax-giveaways-corporations/>

¹⁷ Center on Budget and Policy Priorities, 8/27/25:

<https://www.cbpp.org/research/health/by-the-numbers-harmful-republican-megabill-will-take-health-coverage-away-from>

¹⁸ AARP, 7/8/25: <https://www.aarp.org/advocacy/how-medicaid-changes-hurt-older-americans-2025/>

¹⁹ Manatt, 5/6/25:

<https://www.manatt.com/insights/white-papers/2025/no-place-to-hide-children-will-be-hurt-by-medicaid-cut>

²⁰ Center on Budget and Policy Priorities, 6/9/25:

<https://www.cbpp.org/research/federal-budget/2025-budget-impacts-house-bill-would-cut-assistance-and-rise-costs-for-0>

²¹ Center on Budget and Policy Priorities, 6/9/25:

<https://www.cbpp.org/research/federal-budget/2025-budget-impacts-house-bill-would-cut-assistance-and-rise-costs-for-1>

²² ACASignups.net, 3/27/26: https://acasignups.net/2026_oep/final/03

²³ KFF, 9/10/25:

<https://www.kff.org/affordable-care-act/about-half-of-adults-with-aca-marketplace-coverage-are-small-business-owners-employees-or-self-employed/>

²⁴ KFF, 9/25/25:

<https://www.kff.org/affordable-care-act/occupations-with-large-shares-of-workers-who-rely-on-individual-market-coverage/>

²⁵ KFF, 10/6/25:

<https://www.kff.org/quick-insights/if-enhanced-aca-tax-credits-expire-older-marketplace-enrollees-face-steepest-premium-hikes/>

²⁶ Medicare Rights Center, 5/22/25:

<https://www.medicarerights.org/medicare-watch/2025/05/22/broken-promises-republicans-budget-reconciliation-bill-would-cut-medicare>

²⁷ Georgetown University McCourt School of Public Policy Center for Children and Families, 7/22/25:

<https://ccf.georgetown.edu/2025/07/22/medicaid-chip-and-affordable-care-act-marketplace-cuts-and-other-health-provisions-in-the-budget-reconciliation-law-explained/>

²⁸ Center on Budget and Policy Priorities, 8/27/25:

<https://www.cbpp.org/research/health/by-the-numbers-harmful-republican-megabill-will-take-health-coverage-away-from>

²⁹ Protect Our Care, 6/27/26: <https://www.protectourcare.org/hospital-crisis-watch/>

- Robbed 11 million low-income Americans of zero-dollar premiums.³⁰
- Funneled millions³¹ of families into reduced³² coverage that will force them to pay thousands more each year in health care costs.
- Pressured countless families to cut back on food, clothing, and other basics to afford health insurance and greater out-of-pocket costs³³.

In the same bill, Congress doled out \$730 billion in tax breaks to corporations³⁴ and \$890 billion in tax breaks to millionaires.³⁵

In recent hearings, administration officials twisted numbers from Congressional Budget Office (CBO) data to assert that there have been no cuts to Medicaid. Not only is that assertion plainly false³⁶ but it conveniently leaves out details from the same projections³⁷ that provide clear evidence of the damage of the health care cuts. To begin, CBO estimated 7 million Americans will lose Medicaid coverage by 2032.³⁸ In addition, CBO estimated 11.2 million Americans or half the Americans who rely on ACA tax credits, will lose their tax credits completely by 2028.³⁹ Between the cuts to Medicaid and the cuts to the ACA, CBO projected the number of Americans who are uninsured will skyrocket to 35.3 million, or increase by a third⁴⁰, by the end of the Trump administration.

Administration officials and lawmakers also claim the only Americans losing their health care are illegal. From our line of work, we know that is categorically false. Our teams are on the ground in 14 states working alongside blue collar Americans who have lost their health care, in order to make their stories heard. Over the past year, we've heard from farmers in Iowa⁴¹, small business

³⁰ Centers for Medicare and Medicaid Services, 3/27/26:

<https://www.cms.gov/newsroom/press-releases/exchange-coverage-remains-near-record-high-23-1-million-enroll-2026-reflecting-continued-strength>

³¹ ACASignups.net, 4/3/26: https://acasignups.net/2026_oep/final/05a

³² Healthcare Dive, 3/30/26:

<https://www.healthcaredive.com/news/aca-premiums-enrollment-bronze-plans-2026-cms-data/816067/>

³³ KFF, 12/4/25: <https://www.kff.org/public-opinion/2025-kff-marketplace-enrollees-survey/>

³⁴ Americans for Tax Fairness, 7/31/25:

<https://americansfortaxfairness.org/medicaid-medicare-turn-60-congress-enacts-law-guts-coverage-local-hospitals-finance-tax-giveaways-corporations/> 5

³⁵ Center on Budget and Policy Priorities, 9/3/25:

<https://www.cbpp.org/blog/republican-megabills-tax-cuts-for-millionaires-are-financed-by-taking-health-insurance-from-47>

³⁶ Associated Press, 4/23/26:

<https://apnews.com/article/rfk-jr-medicaid-cuts-trump-congress-320d81927079712b3e802d4e93d9f73e>

³⁷ Congressional Budget Office: <https://www.cbo.gov/data/baseline-projections-selected-programs>

³⁸ The Century Foundation, 3/12/26:

<https://tcf.org/content/commentary/cbo-reaffirms-forecast-of-a-dramatic-reduction-in-health-coverage-in-2026-and-beyond/>

³⁹ *Ibid*

⁴⁰ *Ibid*

⁴¹ Protect Our Care, 1/27/26:

<https://www.protectourcare.org/round-up-before-bragging-in-iowa-trump-should-try-talking-to-a-farmer-grappling-with-the-gop-health-care-crisis/>

owners in Virginia⁴², and caregivers in Michigan⁴³ who have all had their health care jeopardized by the decisions of Congress and this administration. We have collected over 300 stories⁴⁴ of working Americans who are losing their health care or making sacrifices to pay the arm and leg it now costs for their health care. Today, I'd like to share the stories of two of them: Teresa Acosta of Atlanta, Georgia and Lester Johnson of Richmond, Virginia. This is what the affordability crisis looks like up close:

Teresa Acosta is a single mother in Atlanta, Georgia. After Congress allowed the enhanced premium tax credits to expire in favor of giving tax breaks to the wealthy, Teresa's premium skyrocketed six fold. She closed her small business in order to afford her health care and her first insurance bill still left her with \$74 in her bank account just weeks before Christmas⁴⁵. Her daughter is now taking a break from college to help Teresa pay the bills.

Lester Johnson is a dad and small business owner in Virginia. After Congress eliminated the enhanced premium tax credits, Lester's premium doubled. Now, Lester worries about keeping his business open and keeping his 40 employees on the payroll. Teresa and Lester are not alone. Every day, millions of families are being forced to make brutal decisions to afford their health care costs:

- 37 percent of Americans with Marketplace coverage are cutting back on food, clothing, or other basic household items⁴⁶
- 13 percent are skipping or delaying paying other bills⁴⁷
- 30 percent were forced to switch plans, many to reduced coverage with higher out-of-pocket costs⁴⁸
- 30 percent say their health care costs are making it difficult to afford their rent or mortgage⁴⁹

Even with their sacrifices, recent data shows that one in seven⁵⁰ people who renewed their coverage could not afford their first premium payment.

These policies aren't "America First." When people lose their health care, it doesn't just hurt their families, it hurts their community. Massive losses in coverage result in loss of revenue for hospitals and clinics that affect their ability to keep their doors open. H.R. 1's incoming cuts to

⁴² Washington Post, 10/16/25:

<https://www.washingtonpost.com/health/2025/10/16/obamacare-aca-health-insurance-shutdown/>

⁴³ Protect Our Care, 4/20/26: <https://protectourcare.substack.com/p/pete-buttigieg-interview>

⁴⁴ Protect Our Care, 4/17/26:

<https://www.protectourcare.org/rfk-jr-meet-the-families-you-just-pretended-dont-exist-victims-of-the-gop-health-care-crisis/>

⁴⁵ MS Now, 1/17/26:

<https://www.ms.now/news/crushing-healthcare-choice-college-for-one-child-or-insulin-for-another>

⁴⁶ KFF, 3/19/26: <https://www.kff.org/public-opinion/a-follow-up-survey-of-aca-marketplace-enrollees/>

⁴⁷ *Ibid*

⁴⁸ *Ibid*

⁴⁹ *Ibid*

⁵⁰ Protect Our Care, 4/27/26:

<https://www.protectourcare.org/premium-disaster-watch-millions-mull-meals-mortgage-or-medicine-as-on-e-in-seven-aca-enrollees-skip-first-premium/>

provider taxes and state-directed payments only compound the issue, making it harder for rural hospitals, primary care clinics, and maternity wards to survive.

H.R. 1: Life Saving Medication Out of Reach for Millions of Americans

The ORPHAN Cures Act included in H.R. 1 expanded exemptions for drug manufacturers, blocking high-cost specialized drugs from Medicare drug price negotiation. This provision will cost the American people \$8.8 billion in lost Medicare savings over the next 10 years.⁵¹ The exclusion of orphan drugs from Medicare drug price negotiation goes directly against the wants of the American people. 85 percent of Americans support allowing the federal government to negotiate lower drug prices for those with Medicare⁵². Yet right now, that relief is limited to people with Medicare. The Lowering Drug Costs for American Families Act would extend that same negotiating power to the commercial market, so a worker with employer coverage gets the same protection from price-gouging as a senior on Medicare — and would also cap annual out-of-pocket drug costs at \$2,000 for everyone, not just Medicare beneficiaries.⁵³ In 2023, Medicare and its beneficiaries spent \$17.5 billion on orphan drugs that treated diseases like rare cancers and genetic disorders.⁵⁴

Seniors across the country are deciding between affording life saving prescription drugs or putting food on the table. In 2022, 6 million seniors were living in poverty with incomes below \$14,040 per year.⁵⁵ One in five Medicare enrollees say they are “very worried” about being able to afford their medications.⁵⁶ Following H.R. 1, Medicare patients receiving the cancer drug, Keytruda, will have to pay 20 percent more out-of-pocket for the drug’s nonnegotiated price.⁵⁷ If Keytruda was included in drug price negotiations this year, seniors who use the drug would have saved an estimated \$3,300 annually.⁵⁸ Congress’s decision to exclude orphan drugs from Medicare price negotiations will only make life unaffordable for the 71,000 seniors with Medicare Part B who took Keytruda and over 27,000 who took Opdivo, an immunotherapy cancer drug.⁵⁹

⁵¹ KFF, 10/20/25:

<https://www.kff.org/medicare/people-with-medicare-will-face-higher-costs-for-some-orphan-drugs-due-to-changes-in-the-new-tax-and-budget-law/>

⁵² KFF, 3/31/26: <https://www.kff.org/health-costs/public-opinion-on-prescription-drugs-and-their-prices/>

⁵³ House Ed & Workforce Democrats:

https://democrats-edworkforce.house.gov/imo/media/doc/lowering_drug_costs_for_american_families_act_of_2025_fact_sheet.pdf

⁵⁴ KFF, 10/20/25:

<https://www.kff.org/medicare/people-with-medicare-will-face-higher-costs-for-some-orphan-drugs-due-to-changes-in-the-new-tax-and-budget-law/>

⁵⁵ KFF, 5/21/24: <https://www.kff.org/medicare/how-many-older-adults-live-in-poverty/>

⁵⁶ KFF, 3/31/26: <https://www.kff.org/health-costs/public-opinion-on-prescription-drugs-and-their-prices/>

⁵⁷ Wall Street Journal, 8/3/25:

<https://www.wsj.com/health/pharma/trump-tax-spending-bill-drug-prices-medicare-5465f4e2>

⁵⁸ KFF, 10/20/25:

<https://www.kff.org/medicare/people-with-medicare-will-face-higher-costs-for-some-orphan-drugs-due-to-changes-in-the-new-tax-and-budget-law/>

⁵⁹ *Ibid*

H.R. 1: Hundreds of Hospitals and Clinics Across the Country In Danger

The health care cuts passed by Congress are putting the entire health care system on life support. H.R. 1 cut nearly a trillion dollars from Medicaid, including an estimated half a trillion dollars from hospitals.⁶⁰ Medicaid accounts for one-fifth of spending on hospitals, one-fifth of hospital discharges, and at least one in five inpatient days in nearly every state.⁶¹ Medicaid is also the largest payor of maternal health, mental health, and nursing home care in the country.⁶² Since H.R. 1's passage, over 1,000 hospitals, nursing homes, maternity wards, and other critical providers nationwide have shuttered, cut services, or are at risk of doing so⁶³. Every hospital or clinic that closes its doors puts patients' lives at risk, strips communities of vital services, and forces families to make impossible choices just to access the care they need – all so Congress can make the rich richer. Across America, health care is vanishing, and millions of Americans are left with rising costs, longer journeys to care, and, in far too many cases, no care at all. With Protect Our Care's Hospital Crisis Watch, we've been exposing the full scale of harm H.R. 1 is inflicting on America's health care system—community by community, hospital by hospital. So far we have tracked:

- Over 1,000 hospitals, clinics, and nursing homes that have shut down, cut services, or are at risk of doing so since Congress passed the largest cuts to health care in history.
- Multiple hospitals that have converted to standalone emergency departments and over a dozen hospitals have fully shut down.
- Over 70 hospital wards have shuttered including nearly 40 maternity wards.
- Over 250 clinics that have closed.
- And over 400 hospitals remain at deep risk of closure or cuts

The cuts to health care are affecting everyone, everywhere, regardless of where they get their coverage. When hospitals or emergency departments close, emergency cases are diverted to other hospitals, leading to longer travel times for ambulances, overcrowding in emergency rooms, and longer waits to see a doctor.⁶⁴ Studies find that ambulance transport times increase by 11 to 16 minutes following a rural hospital closure — a life or death difference for patients having a stroke, heart attack, or internal bleeding⁶⁵. Costs will also spike for everyone as hospitals close⁶⁶, driving up costs at nearby facilities by an estimated \$500 per hospital stay.⁶⁷

⁶⁰ Third Way, 10/8/25: <https://www.thirdway.org/memo/the-looming-661-billion-cut-to-hospitals>

⁶¹ KFF, 3/5/25: <https://www.kff.org/medicaid/5-key-facts-about-medicaid-and-hospitals/>

⁶² Center for Law and Social Policy, 5/8/25:

<https://www.clasp.org/publications/fact-sheet/on-the-chopping-block-how-medicaid-cuts-will-impact-mental-health/>; KFF, 3/5/25: <https://www.kff.org/medicaid/5-key-facts-about-medicaid-and-hospitals/>

⁶³ Protect Our Care: <https://www.protectourcare.org/hospital-crisis-watch/>

⁶⁴ Annals of Emergency Medicine, April 2006: <https://pubmed.ncbi.nlm.nih.gov/16546614/>

⁶⁵ The Journal of Rural Medicine, November 2023: <https://onlinelibrary.wiley.com/doi/10.1111/jrh.12810>

⁶⁶ Washington Examiner, 6/23/25:

https://www.washingtonexaminer.com/policy/healthcare/3448991/weekender-republican-medicaid-cuts-shutter-third-rural-hospitals/#google_vignette

⁶⁷ University of Minnesota, 7/21/25:

<https://twin-cities.umn.edu/news-events/rural-hospital-closures-led-higher-prices-nearby-hospitals>

Everyone will pay the price because Congress put tax breaks for billionaires and big corporations above the needs of working people.

Here are just a few stories illustrating the impact of cuts and closures that have occurred since H.R. 1 passed: In Jersey City, New Jersey, a hospital that had supported the community for over 150 years shuttered under the pressure of Medicaid cuts, leaving a city of nearly 300,000 with only one emergency room.⁶⁸ In rural Farmville, Virginia, moms are driving an hour or more for prenatal appointments after their local maternity ward closed.⁶⁹ In Santa Rosa, California, families with sick children will need to fly by helicopter to Bay area hospitals to get pediatric care they need after a ward at their local hospital closed.⁷⁰

Protect Our Care has been crisscrossing America sounding the alarm on how these cuts are pushing hospitals to the brink, stripping care from communities, and putting lives at risk across the country. At one event in Michigan, the CEO of Hillsdale Hospital said “Cuts to Medicaid translate directly to hospital closures, service disruptions and detrimental losses in our care system across rural America. Rural hospitals like Hillsdale Hospital rely on Medicaid because of our disproportionate payer mix, and when that source of basic reimbursement disappears, our patients are forced to choose between paying high Marketplace premiums or going without coverage entirely. That is not sustainable for rural communities or hospitals.”⁷¹

H.R. 1: Failing Rural Communities

H.R. 1 is a betrayal to rural communities. By gutting Medicaid, Congress gutted the health care 1 in 4 rural Americans rely on⁷², while raising premiums for millions more⁷³ – all to give tax breaks to billionaires and corporations.⁷⁴ More than three million rural Americans rely on the Affordable Care Act. Premium hikes hit them 28 percent harder than urban residents.⁷⁵ By gutting over \$1 trillion from Medicaid and the ACA, Congress also put over 330 rural hospitals at

⁶⁸ WKXW, 2/27/26: <https://nj1015.com/heights-university-hospital-closure/>

⁶⁹ Cardinal News, 11/11/25:

<https://cardinalnews.org/2025/11/11/as-centra-ends-ob-gyn-care-in-farmville-experts-say-more-womens-health-services-are-at-risk-due-to-changes-brought-by-federal-spending-bill/>

⁷⁰ Santa Rosa Press Democrat, 11/9/25:

<https://www.pressdemocrat.com/2025/11/09/close-to-home-sonoma-county-children-need-a-local-hospital/>

⁷¹ Protect Our Care, 4/24/26:

<https://www.protectourcare.org/in-the-states-across-the-country-providers-warn-gop-health-care-cuts-push-providers-to-the-brink-put-lives-at-risk/>

⁷² KFF, 6/26/25:

<https://www.kff.org/medicaid/5-key-facts-about-medicaid-coverage-for-people-living-in-rural-areas/>

⁷³ The Century Foundation, 8/19/25:

<https://tcf.org/content/commentary/rural-americans-face-unprecedented-price-hikes-for-health-care/>

⁷⁴ Center for American Progress, 7/3/25:

<https://www.americanprogress.org/article/1-trillion-in-medicaid-cuts-1-trillion-in-tax-giveaways-for-the-richest-1-percent-the-one-big-beautiful-bills-budget-math/>; Americans for Tax Fairness, 7/31/25:

<https://americansfortaxfairness.org/medicaid-medicare-turn-60-congress-enacts-law-guts-coverage-local-hospitals-finance-tax-giveaways-corporations/>

⁷⁵ The Century Foundation, 8/19/25:

<https://tcf.org/content/commentary/rural-americans-face-unprecedented-price-hikes-for-health-care/>

risk of closure⁷⁶ and service cuts and shuttered rural clinics across the country.⁷⁷ H.R. 1 is crumbling an already strained infrastructure, expanding maternity care deserts, and leaving Americans from Iowa⁷⁸ to Georgia⁷⁹ more than 45 minutes away from the care they need. Entire communities are finding themselves without care nearby. Local economies are suffering as health care jobs vanish. The so-called “rural health transformation fund” falls far short of what rural communities need, leaving families stranded without access to life-saving care.

The rural health fund is woefully underwhelming and nowhere near a solution. The grants will do little to nothing to help rural health care providers facing over \$130 billion in cuts.⁸⁰ The meager \$50 billion fund already failed to scratch the surface of the hundreds of billions in cuts to hospitals, before the Trump administration said no more than 15 percent can be used to help rural health providers stay afloat.⁸¹ Meanwhile, administration officials are touting “AI nurses” as the solution.⁸² Policy experts at KFF said “It is highly unlikely that any state will receive more money from the rural health fund than it will lose from the historic cuts to federal funding for health care in the 2025 reconciliation law and from other federal policy changes.”⁸³

H.R. 1: Rural and Urban Hospitals Feeling the Pain

Though Congress has largely focused on H.R. 1’s impacts on rural communities, rural hospitals are not the only ones feeling the pain. According to a Harvard study, urban safety net hospitals make up 85 percent⁸⁴ of those at highest risk from cuts, yet H.R. 1 does not set aside a single penny for urban hospitals. In Los Angeles, Martin Luther King Jr. Community Hospital is

⁷⁶ Senator Ed Markey, 6/12/25:

<https://www.markey.senate.gov/news/press-releases/markey-leader-schumer-wyden-merkley-release-data-detailing-hundreds-of-rural-hospitals-across-us-at-risk-due-to-republican-health-care-cuts>

⁷⁷ Protect Our Care, 3/20/26:

<https://www.protectourcare.org/hospital-crisis-watch-trump-and-gop-cuts-leave-rural-health-care-in-a-code-red-as-communities-are-left-without-care/>

⁷⁸ Quad City Times, 3/27/26:

https://www.thegazette.com/news/healthcare/mercyone-to-end-labor-and-delivery-services-at-clinton-medical-center-in-may/article_e4f40ac1-b4a7-5670-a09f-ee5d119342a2.html

⁷⁹ CBS, 10/28/25:

<https://www.cbsnews.com/atlanta/news/lavonia-hospital-closes-labor-and-delivery-unit-leaving-rural-families-in-crisis/>

⁸⁰ KFF, 7/24/25:

<https://www.kff.org/medicaid/how-might-federal-medicaid-cuts-in-the-enacted-reconciliation-package-affect-rural-areas/>

⁸¹ Center for Children and Families, Georgetown University, 10/21/25:

<https://ccf.georgetown.edu/2025/10/21/trump-administration-severely-limits-funding-for-rural-hospitals-and-clinics-from-rural-health-transformation-fund-capped-at-15/>

⁸² Associated Press, 3/16/25:

<https://apnews.com/article/artificial-intelligence-ai-nurses-hospitals-health-care-3e41c0a2768a3b4c5e002270cc2abe23>

⁸³ Center for Children and Families, Georgetown University, 3/6/26:

<https://ccf.georgetown.edu/2026/03/06/the-rural-health-transformation-fund-political-rhetoric-meets-bipartisan-concern-as-the-program-moves-forward/>

⁸⁴ The New York Times, 11/18/25:

<https://www.nytimes.com/2025/11/18/upshot/urban-hospitals-medicaid-cuts.html?partner=slack&smid=sl-share>

preparing to lose 15 to 20 percent of its revenue. In 2024, Medicaid paid for over seven in ten⁸⁵ patients at MLK Jr. Community Hospital. “There aren’t enough things for us to cut to make up for that loss,” said Dr. Elaine Batchlor, M.L.K. ’s chief executive⁸⁶.

In Long Island, New York, Nassau University Medical Center faces great risk of cutting services or closing⁸⁷ in the face of the H.R. 1. In 2024, Medicaid paid for nearly 40 percent⁸⁸ of patients at Nassau University Medical Center. Without the maternity ward or ER at Nassau, patients would be forced to travel 30 minutes⁸⁹ to the nearest facility - critical time for a mom in labor or a senior with a stroke. These hospital closure risks are not colorblind either; around a fifth of all hospitals at risk of closure are within the five states where 42 percent⁹⁰ of Black Americans reside. Americans across all communities will pay the price for H.R. 1.

Communities are so desperate to save their local hospitals in the wake of H.R. 1 that counties from California⁹¹ to Alabama⁹² are instituting higher property taxes to fund infusions to stop their hospitals from closing. Countless hospitals still are begging for taxpayer-funded infusions from their state government to stay afloat because the so-called “Rural Health Transformation” fund doesn’t do much to help⁹³. What we are seeing is only the beginning. Once millions begin to lose their health care due to paperwork designed to rip away their coverage and deep cuts to provider taxes and state-directed payments take effect in 2027 and 2028, the crisis will only worsen, leaving millions of Americans in the dust.

Conclusion

Thank you for the opportunity to participate in this hearing today. Every day presents a chance to stop this health care crisis, but this administration has not lifted a finger to deliver relief to the American people. Congress should be focused on making health care affordable and accessible, not ripping it away to give tax breaks to the rich. I look forward to taking your questions and working with you to make that a reality for everyone in America.

⁸⁵ National Academy for State Health Policy, 12/30/25: <https://tool.nashp.org/>

⁸⁶ The New York Times, 11/18/25:

<https://www.nytimes.com/2025/11/18/upshot/urban-hospitals-medicaid-cuts.html>

⁸⁷ Newsday, 4/13/26:

<https://www.newsday.com/long-island/politics/medicaid-cuts-big-beautiful-bill-numc-stony-brook-eozays18>

⁸⁸ National Academy for State Health Policy, 12/30/25: <https://tool.nashp.org/>

⁸⁹ Google Maps, Accessed 6/26/26

⁹⁰ Protect Our Care, National Urban League, National Association for the Advancement of Colored People, & National Council of Negro Women, 2/2/26:

https://naacp.org/sites/default/files/documents/BHM_Report_2026%20%281%29.pdf

⁹¹ San Francisco Chronicle, 12/11/25:

<https://www.sfchronicle.com/bayarea/article/santa-clara-sales-tax-hospitals-21237895.php>

⁹² AL.com, 12/11/25:

<https://www.al.com/news/2025/12/voters-choose-tax-increase-to-avoid-possible-hospital-closures-in-rural-alabama-county.html>

⁹³ Minnesota Public Radio, 2/25/26:

<https://www.mprnews.org/story/2026/02/25/commissioner-says-hennepin-county-medical-center-could-close-as-expenses-continue-to-rise>