United States Senate

WASHINGTON, DC 20510-4606

June 20, 2025

Vincent Mor, Ph.D., Professor of Medical Science Department of Health Services, Policy & Practice School of Public Health Brown University Providence, RI 02903

Dear Dr. Mor:

On May 22, 2025, the U.S. House of Representatives Republican Conference passed a remarkably large budget reconciliation package that includes provisions as varied as tax cuts for the wealthiest Americans, ending our merit-based civil service system, and cutting funding for food banks. According to the non-partisan, independent Congressional Budget Office (CBO), the health care cuts in their entirety will take away health insurance from 16 million Americans,¹ at a time of record low uninsured rates.² On June 16, 2025, Senate Finance Committee Chairman Crapo released Senate Republicans' version of budget reconciliation language that doubles down on these harmful health care policies and makes steeper cuts to Medicaid. We are distressed by the proposed cuts to Medicaid and the individual market, and given that Medicaid is the main payer for more than 60% of nursing home residents,³ we are particularly concerned about the cuts' impact on nursing facilities. We are writing to request your expert analysis of these cuts so we can fully understand the risks posed to nursing homes, the residents they serve, the workers these facilities employ, and the communities that are supported by such care.

The Republican reconciliation bill is designed to decimate the Medicaid system, cutting some folks off immediately and enacting burdensome paperwork requirements that others will not be able to navigate, leading them to lose their health coverage. Their health needs do not go away just because they lose coverage. What they do lose is their opportunity to access early care and prevent more serious and costly health conditions; their ability to stay healthy and go to work; and their ability to avoid going into debt to afford their care.

¹ <u>https://www.cbo.gov/system/files/2025-06/Wyden-Pallone-Neal_Letter_6-4-25.pdf</u>

² <u>https://aspe.hhs.gov/reports/national-uninsured-rate-reaches-all-time-low-early-2023</u>

³ <u>https://www.kff.org/medicaid/issue-brief/5-key-facts-about-nursing-facilities-and-medicaid/</u>

On top of cutting benefits to individuals, the Republican reconciliation package threatens health care providers from receiving fair payments for the health care services they provide to their communities. Just because the federal government stops paying its fair share of Medicaid payments to states under these proposed cuts doesn't mean states, localities, and health care providers will stop supporting or providing care. In fact, we can expect the opposite: because health needs will continue, care will still be provided, health care providers won't get the federal reimbursement they depend on, and state and local taxpayers will need to increase support to local clinics, hospitals, and nursing homes just to maintain the status quo. If health care providers ultimately close practices, hospitals, and nursing homes because of federal cuts to Medicaid and individual marketplace coverage, everyone in that community loses access to that care.

The Republican bill also ends states' ability to add or update nursing home provider taxes and state directed payments. This policy severely limits states' ability to fund their share of Medicaid spending. Given Medicaid only covers on average 82 cents of every dollar it takes to run a nursing home,⁴ any cut to Medicaid threatens states' ability to maintain even this inadequate level of reimbursement and precludes any ability to increase investments in nursing homes. These cuts are happening at a time when nursing homes are increasing spending to recruit and retain nursing home workers in response to staffing shortages⁵ and the clear evidence that higher levels of staffing are better for nursing home residents.⁶

As the House-passed bill is proposing more than \$800 billion in cuts to Medicaid and CHIP over the next ten years⁷—the largest in history⁸—and the Senate bill doubles down on these cuts, it is critical that we understand the likely consequences, including the expected harm to nursing homes and the residents who depend on these facilities for their long-term care. We would welcome the expertise of your department; please respond to the following questions in writing by June 24, 2025:

- 1. Which nursing homes in the United States treat the highest share of Medicaid patients? Please identify these nursing homes by name, geographic location (i.e. urban or rural), and state.
- 2. How many nursing homes are at risk of closure? Please identify the number of nursing homes by the metrics that drive their risk of closure, geographic location, and state.

⁴ <u>https://aspe.hhs.gov/reports/assessing-medicaid-payments-costs-nursing-homes</u>

⁵ <u>https://files.kff.org/attachment/Report-Results-from-an-Annual-Medicaid-Budget-Survey-for-State-Fiscal-Years-2024-and-2025.pdf</u>

⁶ <u>https://www.sciencedirect.com/science/article/abs/pii/S0020748921001838</u>

⁷ <u>https://www.cbo.gov/publication/61461</u>

⁸ <u>https://unidosus.org/blog/2025/05/15/the-medicaid-cuts-proposed-in-budget-reconciliation-would-be-the-largest-in-us-history/</u>

3. If the House-passed and Senate committee-drafted bills, which will cut Medicaid by more than \$800 billion, were to become law, what would be the impact on nursing homes that treat the highest share of Medicaid patients or at risk of closure? What would be the impact on other nursing homes?

Thank you in advance for your consideration of this request. We look forward to your responses.

Sincerely,

Mark R Werner

Mark R. Warner United States Senator

Charles E. Schumer United States Senator

Ron Wyden United States Senator Ranking Member, Committee on Finance

Jeffrey A. Merkley United States Senator Ranking Member, Committee on Budget