

July 2, 2025



The Honorable Mike Johnson  
Speaker  
U.S. House of Representatives  
Washington, DC 20515

Dear Speaker Johnson,

On behalf of LeadingAge and our more than 5,400 nonprofit and mission-driven aging services provider members, we urge you to oppose the Senate-passed version of the budget reconciliation bill (H.R. 1). This bill, which cuts at least \$900 billion from Medicaid and will cause at least 11.5 million people to lose insurance coverage, would be detrimental to older adults and the providers who serve them, including nursing homes and home and community-based (HCBS) services providers.

### **Provider Taxes**

The provider tax language passed by the Senate would be even more damaging to state budgets than the House-passed language, as it would freeze existing taxes at their current level, limit states' abilities to implement new provider taxes, and reduce the hold harmless threshold on provider taxes levied in Medicaid expansion states to 3.5% by 2032. We do not believe that carving nursing homes out of the most extreme provider tax changes protects older adults or providers who care for them; the policy still cuts money out of Medicaid holistically in many states that chose to expand Medicaid, which will harm nursing homes, HCBS and older adults who access those services.

### **State and Provider Impacts**

The wide-ranging effect of these large decreases in federal funding to the Medicaid program will not only harm beneficiaries and providers; the impact will ripple through entire communities. Consider that if a nursing home is forced to close, or an adult day center, a home care agency, or an assisted living facility has to stop offering services, they end for the entire community. Medicaid beneficiaries will no longer have services; people of all agencies and income level will lose jobs. Economies will be hit--particularly in rural areas where our members are both large employers but also large purchasers of goods and services in their communities. A majority of these current Medicaid policy proposals put intense pressure on state budgets: decreasing federal Medicaid dollars will force states to make many difficult decisions. Do they cut services, benefits, or provider payment rates? Will they opt to raise revenues via state tax increases or by transferring other general funds to Medicaid? None of the answers have good outcomes for older adults and those who care for them.

## Vote NO on H.R. 1

H.R. 1's devastating and unprecedented reductions to Medicaid will, as estimated by the Congressional Budget Office (CBO), cut at least \$900 billion in federal funding from the Medicaid program (the largest cut in American history) and remove at least 11 million people from health insurance coverage (though by some estimates the number could reach 16 million.) The bill is incredibly harmful to older adults and the providers who serve them. **We urge you to VOTE NO on H.R. 1.**

Sincerely,

A handwritten signature in black ink that reads "Katie Smith Sloan". The signature is fluid and cursive, with the first name "Katie" being the most prominent.

Katie Smith Sloan  
President and CEO  
LeadingAge