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GOP Medicaid Cuts Will Decimate Hospitals Nationwide

Blair Elliott, Health Policy Advisor, Darbin Wofford, Deputy Director of Health Care

President Trump and Congressional Republicans' full-throated underline attack on Medicaid in their budget bill will devastate critical hospitals across the country. The bill cleaves over a trillion dollars from Medicaid over 10 years, and our analysis projects that **hospitals nationwide will experience at least $24 billion in revenue loss** *annually* **as a result.** [1]

One-fifth of total spending on hospital care comes from Medicaid, so substantial Medicaid cuts will be felt by hospitals nationwide. The bill would also force nearly 12 million Americans off their health care —some of whom will end up in emergency rooms without coverage, forcing hospitals to foot the bill. Beyond that, hospitals will generally see higher rates of uncompensated care from uninsured patients. Hospitals already operating in the red may not survive these increased financial pressures.

For the more than 60 million Americans living in rural areas, the situation is even more dire. More than 700 rural hospitals are in financial distress or at risk of closure. Substantial cuts to their Medicaid payments will be the last straw for many of these providers, forcing them to cut critical services like maternity wards or close altogether. This will leave rural Americans further from the care they need.

To demonstrate the impact of the GOP's proposed Medicaid cuts on hospitals, our analysis quantifies the projected loss in annual revenue for every hospital in the country with available data. The results are striking. Hospitals in North Carolina will lose nearly $728 million per year. Those in Texas will lose more than $609 million. A single hospital in Indiana could lose more than $136 million alone.

See how Medicaid cuts will impact hospitals in your community: [2]

ENDNOTES

1. *Methodology:* The projections in this sheet were calculated using data from the National Academy for State Health Policy's Hospital Cost Tool to get hospitals' Medicaid revenues, which were determined by multiplying overall hospital revenues by their Medicaid payer mix. Then, that total Medicaid revenue was multiplied by the projected across-the-board percent cut in annual state Medicaid revenues. This percentage was derived from KFF's data on projected Medicaid cuts by state as a result of the budget bill divided by total annual state Medicaid spending.

2. *Note:* The hospital revenue loss projections included in this piece include only hospitals for which necessary revenue and Medicaid payer mix data was available in the National Academy for State Health Policy's (NASHP) Hospital Cost dataset. Hospitals without available data were removed from the dataset and from calculations of statewide totals. Please also note that the NASHP dataset for Maryland had missing data points for a majority of Maryland hospitals, so the actual statewide loss for hospitals in the state will likely be much higher than the estimate listed here.