

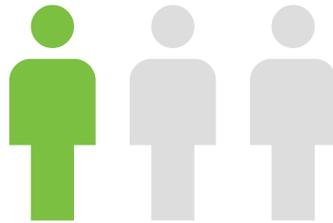
West Virginia Hospital Association Legislative Priorities 2026

Overview: West Virginia's healthcare system stands at a crossroads. As our nation's healthcare landscape undergoes unprecedented transformation through federal policy changes, the decisions made during this legislative session will determine whether our communities maintain access to essential medical services or face concerning disruptions in care. The enactment of the One Big Beautiful Bill Act (OBBBA/HR1) on July 4, 2025, introduced sweeping changes that will fundamentally reshape healthcare financing and delivery across America. West Virginia should prioritize stability and continuity in healthcare—ensuring our system remains strong and reliable for everyone who depends on it.

Challenges

Medicaid Funding Cuts

OBBBA (HR 1) will reduce Medicaid funding to West Virginia hospitals by >\$1 billion. Nearly one in three West Virginians – or 535,000 people – rely on Medicaid.



1 in 3
West Virginians
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Provider Tax Stagnation

- No new provider taxes are permitted, limiting federal matching dollars hospital rely on.
- Existing Tax Limits: 6% ➔ 3.5%, lowering the payment ceiling below the cost of care.
- Directed Payment Program: 3.5% ➔ 1%, forcing difficult choices between maintaining coverage levels and sustaining provider services.

Payer Mix Sensitive to Federal and State Policy Changes

Three in four West Virginia hospital patients are covered by government insurance (Medicare, Medicaid, or the Public Employees Insurance Agency (PEIA)) – nearly 2x the national average. When federal and state policies change, West Virginia hospitals are uniquely susceptible.

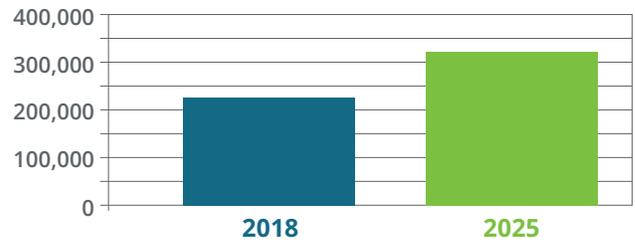
Rural Health Transformation Program Challenges

- The \$199 million allocated to the state from the federal government to transform rural healthcare delivery will not offset financial losses from OBBBA (HR 1) changes.
- Details regarding how the state will distribute the funds or which initiatives they will support are still evolving.

Rising Patient Volume and Acuity

Rising healthcare costs are largely driven by higher patient volume and acuity, meaning patients are sicker and require more complex services. In West Virginia, inpatient admissions rose from 245,000 in 2018 to 331,000 in 2025.

West Virginia Inpatient Admissions



Source: WVHA Community Benefit Reports 2018 & 2025.

Skyrocketing Expenses

- Between 2022 and 2024, hospital costs increased **14.1%** on average.
- Labor costs now account for nearly 60% of hospital expenses, driving up costs.

Regulatory Burdens

Clinical staff increasingly find themselves devoting more time to regulatory compliance, taking them away from direct patient care.

Delay-and-Deny Health Insurance Policies

Insurer policies, like prior authorization, create delays and even denials of essential care and reduce access to care.

Workforce Uncertainty

Policy uncertainty at the state and federal levels endangers hospital financial viability, creating workforce anxiety that translates to more retention and recruitment challenges.

Opportunities to Weather Federal Policy Uncertainty

1

Protect Access to Care / Service Line Disruption

Preserve hospital payment levels through PEIA and Medicaid; Maintain savings from federal 340B drug discount program; Oppose the restriction of facility fees; Protect the Certificate of Need program as a planning tool

2

Minimize Regulatory Burdens

Promote policies that cut regulatory red tape; Prevent state-level duplication of existing federal mandates; Prioritize patient care over additional paperwork

3

Support Our Healthcare Heroes

Advance policies that strengthen West Virginia's healthcare workforce through education; Protect the safety of healthcare workers

The Next Chapter

The WVHA stands ready to collaborate with legislators, the Governor's office, and all stakeholders committed to preserving healthcare access for every West Virginian. Our ask is straightforward: during this period of unprecedented change, let us work together to maintain stability rather than introduce additional uncertainty. The future of West Virginia's economy and health depends on its healthcare infrastructure. Together, we can ensure that foundation remains strong.