

**March 27, 2025**

**TO:** WVHA Member Hospital CEOs, WVHA Legislative Committee, Government Relations Teams

Bringing you up to speed on the day's primary developments at the State Capitol:

- **Medicaid Expansion:** The House Finance Committee this morning originated a bill in committee that would terminate Medicaid Expansion population coverage if federal FMAP (Federal Medical Assistance Percentage) funding is reduced. We are currently reviewing the bill and in discussions with legislative leadership about the potential consequences of this proposed legislation and will provide updates as more information becomes available. The WVHA has developed the following General Talking Points regarding proposed cuts in Medicaid and the impact on access to care and West Virginia hospitals.
  - Various proposals in Washington, D.C. aim to cut Medicaid by enacting significant reductions in federal funding that would force states like West Virginia to make devastating decisions, directly impacting families and communities. Changes like block grants, per capita caps and reduced federal matching rates could lead to significant funding gaps in Medicaid, jeopardizing access to healthcare for our citizens.
  - While cuts to this program will disproportionately harm children, older adults, and people with disabilities, the impact of cuts would not be limited to just Medicaid enrollees. Reduced funding anywhere in the system stresses the availability of services for everyone. We cannot take cuts and continue to provide access to all the services we provide today. If forced to cut services, we can't cut a service only for Medicaid patients. If cuts are made, they are made for all patients.
  - The last several years have been very challenging for hospitals - we are financially fragile. We have faced skyrocketing costs for labor, supplies, and equipment. More

than half of the cost of providing care is from direct care labor costs alone. Between 2019 and 2022, hospitals have experienced an increase in hospital expense growth of nearly 18%, more than double the cumulative increases in Medicare reimbursement of 7.5%.

- We know firsthand what Medicaid cuts would do to hospitals, essential services and West Virginia's healthcare industry and the economy as a whole. Medicaid is an important program across all West Virginia hospitals, but especially for West Virginia's rural hospitals that depend on it to keep their doors open.
  
- Losing rural hospitals would devastate communities across West Virginia, depriving them of access to emergency care, maternity services, mental health treatments, long-term care and other life-saving treatments. It would also eliminate jobs, weaken local economies, and force residents to travel longer distances for healthcare, increasing the risk of delayed or missed treatment.
  
- Aside from the direct impact that Medicaid funding cuts would have on the functioning of hospitals around West Virginia, they would have far-reaching economic consequences that impact the workforce and future health of our state. Healthcare is one of the largest private-sector employers in West Virginia, and Medicaid funding supports thousands of jobs across the state. Hospitals, clinics, nursing homes and home health agencies rely on Medicaid payments to sustain operations and maintain their workforce. If Medicaid funding is reduced, healthcare providers will face difficult choices, including cutting services, laying off staff or even shutting their doors.
  
- Ensuring access to quality healthcare for *all* West Virginians should be a shared priority. And supporting the infrastructure to make that possible should not be considered optional.
  
- **CON:** The House Health Committee this afternoon VOTED DOWN another CON bill - [HB 3487](#), providing that small format, micro hospitals are exempt from certificate of need (CON) review. This is the second time the Committee rejected a CON bill

this session. We'll keep you posted on any other session developments involving CON in the Legislature and the Administration. Thank you for your grassroots advocacy on this bill.

If you have any questions, please contact me. Thanks.

Tony