CATHOLIC HEALTH CARE LEADERSHIP ALLIANCE
CHRIST CENTERED CARE

March 25, 2025

The Honorable Mike Johnson
Speaker of the House
U.S. House of Representatives
H-232, The Capitol
Washington, D.C. 20515

Re: Medicaid and State Provider Taxes

Dear Speaker Johnson,

I am writing to you today about Medicaid and state provider taxes that help adequately care for the most vulnerable in our nation's health care system and, in the near term, empower greater state-based control of health care. I write in my capacity as director of the Institute for Public Policy Advocacy at the Catholic Health Care Leadership Alliance.

Our nation's health care system has real challenges including: protecting the sanctity dignity, and basic rights of all life (the preeminent issue); safeguarding the conscience and religious freedoms of faith-based medical professionals and religious health care entities; expanding access to care for the most vulnerable; decreasing exorbitant costs for consumers and patients; and reining in federal overreach that has advanced a throwaway culture in health care. In confronting these challenges, I urge the 119th Congress to address public policy options about Medicaid, state provider taxes, and other federal health care funding from the principles of human dignity, subsidiarity, and solidarity. These principles most advance the common good of America!

As you know, the healing ministry of Jesus Christ inspires the sacred mission of Catholic medical professionals and health care entities, including Catholic hospitals. Jesus said, "Amen, I say to you, whatever you did for one of these least brothers of mine, you did for me." Matthew 25:40. As Christ-centered healthcare providers, Catholic health care entities serve patients who are sick, materially impoverished and otherwise marginalized. The religious mission of Catholic health care compels us to provide compassionate, quality care to all and to uphold the human dignity of every patient.

To fulfill this sacred mission, many Catholic hospitals rely in part on federal and state funding tools designed for those who treat high percentages of individuals who are indigent. Across the nation, many Catholic hospitals depend on Medicaid supplemental payments and the provider taxes that fund them. These financial tools allow our brothers and sisters in Christ to continue the Catholic ministry of healing by helping Catholic health care entities to remain open and accessible to those in need. As Pope Francis said, "Health is not a consumer good, but a universal right, and therefore access to healthcare services cannot be a privilege." Address to the Medical Profession, 2016. Without critical funding mechanisms, including supplemental payments and provider taxes, Catholic hospitals would face significant challenges in maintaining their charitable work for the underserved.

While current funding mechanisms undergirding Medicaid are imperfect, provider taxes and supplemental payments do empower states to exercise greater flexibility in their respective state health systems and thereby mirror the Catholic concept of subsidiarity. Section 1883 of the Catechism of the Catholic Church states that:

> "Excessive intervention by the state can threaten personal freedom and initiative. The teaching of the Church has elaborated the principle of subsidiarity, according to which "a community of a higher order should not interfere in the internal life of a community of a lower order, depriving the latter of its functions, but rather should support it in case of need and help to coordinate its activity with the activities of the rest of society, always with a view to the common good."'

Medicaid supplemental payments and provider taxes help drive local solutions, closest to the providers who need them and the patient communities they serve. These tools enable states and localities to tailor Medicaid programs to best address the unique needs of communities. Every state, and every community, faces distinct health challenges. Preserving these tools allows for flexible, innovative, and locally driven solutions that support efficiency and equity in care delivery. These tools place control in the hands of states and communities who best understand the realities of their challenging healthcare landscapes. They are local tools that further the common good.

Speaker Johnson, in the long term, it is vital that Congress legislate to return primary decision-making, financing, and control of health care back to patients, consumers, and local communities and away from Washington. In the short term, as Congress moves forward with budget reconciliation, we respectfully urge you to protect federal support for Medicaid tools that empower states to exercise subsidiarity and to care for the life and dignity of the most vulnerable.

Removing vital Medicaid tools hastily could jeopardize the ability of some Catholic health care entities, that chiefly serve the poor, to fulfill their mission. Steep and hasty Medicaid cuts to provider taxes and supplemental payments could inadvertently also bolster support for federally controlled single payer health care, federal abortion mandates, and a myriad of anti-religious liberty regulatory measures. Such a scenario would be catastrophic.

Thank you for your attention to this crucial issue. I am grateful for your extraordinary leadership for life, human dignity, and religious liberty. On this matter of Medicaid, we appreciate your efforts to ensure that religious health care entities, including Catholic health care, can financially support their mission of mercy and healing. I would welcome the opportunity to discuss further how Medicaid policies in budget reconciliation impact the communities that Catholic health care serves.

May God bless you through the Prayers of Our Lady of Guadalupe,

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CC: Domestic Policy Council, The White House