



# MASSACHUSETTS MEDICAL SOCIETY

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May 15, 2025

Dear Member of the Mass Congressional Delegation:

On behalf of the more than 24,000 physician and medical student members of the Massachusetts Medical Society (MMS) and the hundreds of thousands of patients we serve, we are writing in strong opposition to the House Energy and Commerce Committee Health Care recommendations to Budget Reconciliation. We are grateful to our Massachusetts delegation for your leadership in opposing these types of cuts from the outset and write today and share our concerns about the specific policies proposed.

This proposal will destabilize our nation's health and economic security and massively undermines the progress made to address the health care needs of patients over the last 15 years. Nationally, it would impose at least \$715 billion in health care cuts and cause an unprecedented 13.7 million or more Medicaid and Affordable Care Act (ACA) enrollees to lose their coverage. While some may view the approach this legislation takes as moderate compared to blunter policies under consideration but not ultimately included, let us be clear: it is not. This proposal inflicts devastating cuts on longstanding state Medicaid financing methods that will undoubtedly result in the loss of coverage for hundreds of thousands of Bay Staters, eliminating quality, affordable health care for families and causing significant harm to the health of our most vulnerable patients.

MassHealth covers nearly one-in-three state residents – over two million people, including half of all children, over half of all people with a disability, and seventy percent of nursing home residents. To say this legislation will be destructive is an understatement – it will gut our state budget, the viability of the entire health care system, and our patients' health. Rural communities across Massachusetts will be hardest hit, potentially forcing closure of critical access hospitals, rural health clinics, federally qualified health centers, and physician practices that have served their communities for decades, thereby reducing access to care.

Various provisions in this legislation will increase administrative barriers to coverage, increase costs for eligible enrollees while reducing financial support, and limit or restrict state financing for Medicaid. Collectively, these provisions will disrupt and reduce coverage and benefits, jeopardizing the health and well-being of our most vulnerable patients. We oppose this legislation in the strongest possible terms.

## **MMS Opposes Reducing Federal Matching Funds to States that Cover Undocumented Immigrants with State-Only Funding.**

We strongly oppose cutting the federal matching rate to the Medicaid expansion program in the 14 states that cover undocumented immigrants with state-only funding. Our Medical Society believes health care is a basic human right and we support safe access to health care for immigrants and refugees regardless of immigration status. Massachusetts is home to a vibrant immigrant community, including undocumented immigrants, that live and work in our communities and as physicians we proudly care for everyone, regardless of immigration status. Coverage for children regardless of immigration status is an imperative that Massachusetts should not compromise. Moreover, this state-only

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program helps to reduce the uncompensated care burden on providers so we can remain open to all residents of Massachusetts.

A ten percent reduction in the Federal Medical Assistance Percentage (FMAP) will significantly impact Massachusetts federal revenue, which brought in \$12.3 billion in federal revenue to support the state economy and 86% of all federal revenue to Massachusetts comes from the MassHealth program.

### **MMS Opposes the Administrative Barriers that Keep Legitimately Eligible Medicaid Enrollees from Receiving Coverage.**

We oppose Section 44108 – increasing the frequency of eligibility redetermination for expansion populations to every 6 months. Rationalized as reducing fraud, this provision unnecessarily imposes undue administrative burden on our MassHealth program and will inevitably reduce MassHealth enrollment, increasing churn and coverage gaps due to increased administrative barriers to coverage. We similarly oppose Section 44141, the so-called “community engagement requirements.” These work requirements impose a failed policy that will result in millions losing coverage nationally – including among people who would otherwise remain eligible for Medicaid – and will cost millions to hundreds of millions to implement. The Medical Society is deeply concerned that many eligible MassHealth enrollees will be dropped from coverage because they cannot navigate the burdensome paperwork to demonstrate employment status or eligibility redeterminations. These coverage losses and disruptions in continuity of care will undermine the critical safety net MassHealth provides for children, pregnant and postpartum women, seniors, and people with disabilities and serious health conditions.

### **MMS Opposes a Moratorium on New or Increased Provider and MCO Taxes**

We are strongly opposed to the funding freeze on Provider and Managed Care Organization (MCO) taxes in Section 44132. Over time this freeze is tantamount to a cut that will ultimately reduce funding for safety net providers already on the brink of closure, at a time when our health safety net is in critical financial jeopardy reporting an estimated \$230 shortfall for FY25. Physicians and health systems cannot absorb capped payments or payment reductions, which is compounded by the fact that this legislation does not address any other factors that influence provider costs, such as prescription drug costs, labor costs, rent increases, inflationary pressures, or recession. These cuts jeopardize our patients’ health and the viability of the entire health care system.

As the independent CBO estimated last week, reduction in Provider and MCO Taxes would result in 8.6 million people losing Medicaid coverage. Over time, a funding freeze will have the same impact. Massachusetts will not be able to close the funding gap and will ultimately be forced to cut coverage and benefits for Medicaid enrollees and make further cuts to providers that will force them to close. Our most vulnerable MassHealth enrollees will get less care - veterans, seniors, people with disabilities, children, pregnant individuals, and low-income working adults.

### **MMS Opposes Revising the Payment Limit for State Directed Payments (SDPs)**

We are opposed to the new Medicare payment limit on the State Directed Payments in Section 44133 that would negatively impact our public hospital institutions and physicians who are so critically vital to every MassHealth patient and at-risk community in Massachusetts. Massachusetts uses SDPs to provide supplemental payments to safety net hospital systems totaling hundreds of millions of dollars. SDPs also support a variety of other initiatives and provider types, such as MassHealth’s Hospital and Behavioral

Health Quality Incentive programs. Like the Provider Tax Moratorium, over time, these provider payment limits will create pressure to make further cuts to other programs, benefits, and even coverage.

Medicare physician payment is already inadequate and should not be relied on for state directed Medicaid payments. The Medicare physician fee schedule payments have decreased 33% over the last two decades when adjusted for inflation. MedPAC and the Medicare Trustees have recently warned Congress that Medicare physician payment needs to be increased to address the serious access to care problems in Medicare. The Medicare physician fee schedule is not appropriately compensating providers for their actual costs to provide care and therefore, imposing a Medicare payment limit in Medicaid would be harmful to patient's future access to care.

### **MMS Opposes Defunding Planned Parenthood and other Family Planning, Reproductive Health, and Gender-Affirming Care Providers.**

The Medical Society supports access to preventive and reproductive health services for all patients and opposes eliminating Medicaid funds to deny established and accepted medical care to any segment of the population. As such, we strongly oppose Section 44126, which would defund Planned Parenthood and other non-profits that provide family planning and reproductive health care. Planned Parenthood provides over 35,000 patients a year with essential preventive and reproductive health care services, such as birth control, cancer screenings, wellness exams, STI testing, and treatment in Massachusetts. To punish a single provider type that contributes to the reproductive health of patients is both short-sighted and will inevitably lead to poor health outcomes, exacerbating existing disparities in maternal health.

We also oppose Section 44125, which prohibits federal Medicaid and CHIP funding for gender-affirming care for minors. The Medical Society supports parents in accessing patient-centered gender affirming care and opposes any policies that would prevent parents from affirming their children in making these decisions. Prohibiting Medicaid funding for gender-affirming care ignores the medical science of gender dysphoria and by removing medically proven treatment, will worsen the health and mental health of an already vulnerable population.

### **MMS Opposes Imposing Cost-Sharing Requirements on low-income Medicaid Expansion Adults**

Even modest cost-sharing obligations can deter patients from accessing medical care, making it harder for low-income people to afford needed medical services and forcing them to make difficult choices between needed health care and other basic necessities. The addition of new cost-sharing requirements on expansion adults will decrease access to medical necessary health care. Many of the adults on the Medicaid expansion are disabled or chronically ill and need access to ongoing treatment and medications to manage their diseases and disabilities. Therefore, we are concerned that requiring cost-sharing of \$35/visit, even with a limit of 5% of patient income, on individuals making at least \$15,650 will discourage timely care, undermine continuity of care, and drive-up costs when patients are inevitably hospitalized due to treatment disruptions and lack of access to care. Moreover, we must recognize that collecting these payments adds an additional burden to physicians, and therefore, this mandate will not only harm patients but will reduce payment and place undue financial stress on all providers.

### **Medicaid Cuts Will Harm the Whole System**

When MassHealth recipients who lose coverage become sick, they will be forced to delay care and eventually seek treatment in emergency departments, which ultimately compromises access for everyone seeking emergency care, drives up health care costs, and increases medical debt. MassHealth provides health and economic security for low-income families. When patients have coverage, they are more likely to have access to less costly preventive care and on-going treatment to manage chronic conditions. As emergency departments, physicians, and hospitals take on more uncompensated care, provider financial viability is threatened. Increased costs will inevitably result in increased commercial insurance premiums for everyone. Many safety-net rural hospitals, and physicians are already operating on thin margins and will be forced to close, and health care jobs will be lost. Such closures reduce access for everyone and drive-up costs.

A recent Commonwealth Fund study estimates that the proposed Medicaid cuts could result in the loss of 477,000 health care jobs and an additional 411,000 jobs in other industries. The average reduction in state GDP for 2026 would be \$1.9 billion and the federal budget will suffer as well. Such substantial losses would harm families and destabilize communities throughout the nation.

### **MMS Opposes Allowing the Affordable Care Act Premium Tax Credits to Expire**

Allowing ACA premium tax credits to expire will cause 5.1 million individuals and families to lose health care coverage. The ACA's enhanced tax credits have made health insurance more affordable and accessible for American families across the country. By lowering premiums, reducing out-of-pocket costs, increasing enrollment, narrowing racial disparities, and stabilizing the marketplaces, the enhanced tax credits have expanded health coverage to a record number of people, particularly in rural areas. These advance premium tax credits have enabled Massachusetts to implement an incredibly successful pilot program, leveraging state subsidies to expand access to give more individuals and families access to more affordable premiums. This pilot program expanded access to affordable coverage for 51,000 people delivering lower premiums and co-pays, no deductibles, and access to important benefits like \$0 co-pays for prescriptions for chronic diseases like diabetes and hypertension that disproportionately impact Black and Latino communities. Without the ACA premium tax credits, this pilot program – which we are seeking to expand beyond its initial pilot phase – cannot be sustained.

**The Medical Society appreciates your unwavering support and urges you to protect access to coverage and care for our most vulnerable patients by rejecting the devastating Medicaid cuts in this legislation.** Thank you for your support of physicians and the patients we serve.

Sincerely,

Hugh M. Taylor, MD