



KHA's Federal Advocate

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Budget Talks Approach Deadlines, REH Bill in the House

Congress is close to approving a so-called “minibus” budget bill to fund roughly half of the federal government’s departments and agencies for the remainder of fiscal year 2024. The House overwhelmingly voted for the deal negotiated by President Joe Biden, Senate Democratic Leader Chuck Schumer (D-NY) and Republican House Speaker Mike Johnson (R-LA) last night by a count of 339-85. The Senate will take up the bill today and barring an individual Senator deciding to force procedural delays, will pass it either tonight before the President’s State of the Union speech or tomorrow before the midnight deadline for the included measures.

While this minibus budget bill does not provide funding for the U.S. Department of Health and Human Services, it does include all the health care extenders the Kansas Hospital Association and others have requested. These include extensions of the Medicare low-volume hospital designation and the Medicare dependent hospital designation. A delay in the Affordable Care Act’s mandated cuts to disproportionate share hospital funding for states that have not expanded Medicaid also is included. These extensions are not paid for with any Medicare site-neutral payment scheme in this bill. Procuring these extensions without this pay-for was a top priority of KHA.

Funding for the rest of the federal government, including HHS, remains a question. Currently, Congress’ budget authority is set to lapse on at midnight on Mar. 22, so they have two more weeks to come up with a deal. There are two possible outcomes. On the one hand there could be a budget deal similar to the one set to pass this week. The other option is a continuing resolution for the duration of FY 2024 to fund these agencies at FY 2023 levels minus one percent. The terms of the debt ceiling agreement reached last year included the one percent reduction. While there may be a temporary government shutdown or a short-term CR, this process has reached the end of the road. We are pleased the health care extenders were included in the minibus budget bill that is about to pass, considering the road ahead for the rest of the federal budget.

Yesterday, we were informed Congressman Jake LaTurner will introduce a House companion bill to Senator Jerry Moran’s Rural Emergency Hospital Adjustment Act. This bill would allow for

otherwise eligible rural hospitals that closed between 2015 and the present be allowed to reopen as rural emergency hospitals. While we are aware of certain adjustments that need to be made to this bill to include all recently closed eligible hospitals in Kansas, having a House companion bill is a step in the right direction. Going forward, we are looking to include this language with tweaks in a larger REH legislative package likely to be introduced later this year.

Tonight is President Biden's State of the Union speech, and it will include a long passage on health care, particularly related to prescription drug costs. As always, we will evaluate proposals emerging from this in the coming days and weeks.