



KHA's Federal Advocate

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Congress Moves Forward on Budget Reconciliation

A flurry of activity on Capitol Hill yesterday ended with the House adopting its budget resolution to begin the budget reconciliation process. The resolution extends the tax cuts from President Donald Trump's first administration and, among other priorities, enhances border security. The Senate passed its version last week, focusing more narrowly on border security and national defense. These two bills now head to a conference committee where the Senate is expected to defer to the House on taxes but push for larger tax cuts, \$4.6 trillion rather than \$4.5 trillion, to extend current tax law fully. The Senate will need to move closer to the House's floor of \$1.5 trillion in budget cuts rather than the House's ceiling of \$2 trillion.

A key debate is measuring the fiscal impact. The Senate argues the status quo should serve as the baseline for whether the bill increases the deficit, while the House contends that current law, including the expiration of the tax cuts from President Trump's first administration, should be the baseline. Last night, House Republican leadership nearly pulled their budget after pushback from budget hawks who fear exploding the federal deficit. The Senate's initial counteroffer to the House could exacerbate this concern, though Senate Republicans worry that assuming higher tax rates could force cuts to programs like Medicaid, losing critical votes.

While Speaker Mike Johnson (R-LA) secured House support last night by appeasing budget hawks, Senate Majority Leader John Thune (R-SD) faces a tougher path with only a three-vote margin in a more politically moderate chamber. This is just the first step in a multi-phase process requiring both chambers to pass a unified budget resolution, compile legislative instructions and approve a reconciliation bill. This is a process that, while achievable by a simple majority, will require significant negotiation.

The Kansas Hospital Association is actively engaging with the Kansas Congressional Delegation to explain why cuts to Medicaid, site-neutral Medicare payment schemes, extending Medicare sequestration and ending the Affordable Care Act's enhanced premium tax credits would be incredibly detrimental to health care delivery in Kansas. Next week, KHA leadership and members will visit the House and Senate as part of the American Hospital Association's Advocacy Day, urging Kansas' lawmakers to protect health care funding in the ongoing budget reconciliation process.

Renewed Enforcement of Price Transparency Regulations

On Tuesday, President Donald Trump signed an [executive order](#) directing federal agencies to ramp up the enforcement of price transparency regulations issued in his [first term](#) for hospitals and health plans to provide clear, accurate and actionable pricing information.

The new executive order is designed to “[hold] to account” hospitals and health plans that display incomplete data or fail to post data at all. The order also cites concerns that the previous administration “failed to take sufficient steps to fully enforce” health plans publicly posting the “true prices they pay for prescription drugs.”

The order instructs agencies to take action to implement and enforce price transparency regulations within 90 days to:

- a. Mandate the disclosure of the actual prices of items and services, not estimates.
- b. Standardize price disclosures to improve comparability across hospitals and health plans.
- c. Strengthen enforcement policies to ensure compliance with the transparent reporting of complete, accurate and meaningful data.

With increased enforcement on the horizon, we encourage members to review their price transparency compliance efforts to ensure alignment with existing federal requirements. The Kansas Hospital Association will continue to monitor developments and advocate for policies that balance transparency with the operational realities hospitals face.

Please feel free to contact KHA staff with any questions or concerns.