



### ***KHA's Federal Advocate***

**July 1, 2025**

#### **Senate Passes Reconciliation Bill and Sends to the House**

After more than 24 hours of voting on amendment after amendment, the Senate concluded consideration of the One Big Beautiful Bill by adopting a wraparound amendment including deals cut between Senate GOP leadership and wavering members and finally voting on final passage. Fifty Republicans voted for the bill, three Republicans joined all 45 Democrats and two independents in opposition, and Vice President JD Vance broke the tie to pass the legislation. It now goes back to the House where its fate is uncertain.

The Senate-passed bill maintains all language grandfathering Kansas' provider tax and state directed payment rates as outlined in [yesterday's Federal Advocate](#), including language protecting the enhanced support for Critical Access Hospitals and Rural Emergency Hospitals approved by the state earlier this year by allowing all preprints related to rural hospitals submitted to the Centers for Medicare & Medicaid Services by the bill's date of enactment to be grandfathered. The Kansas Department of Health and Environment submitted Kansas' most up to date preprint with the program expansion to CMS yesterday. We greatly appreciate the work of Senator Jerry Moran (R-KS) and KDHE in getting this accomplished to enable Kansas hospitals to have the best opportunity of being grandfathered in under these provisions.

Additionally, the Rural Health Transformation Fund, as detailed in [yesterday's Federal Advocate](#), was increased from \$25 billion to \$50 billion at \$10 billion per year for 5 years and is now scheduled to start in 2026 instead of 2027. Fifty percent of the funds will be evenly distributed to the states, forty percent will be weighted toward more rural states, and ten percent will be left for distribution at the CMS Administrator's discretion.

The bill now ping-pongs back to the House, which is scheduled to be convened tomorrow morning. Senate leadership attempted to accommodate House concerns in crafting their version of the bill, but further changes may be necessary to secure House passage. The House passed its version of the bill last month by one vote, 218-217. Any changes made by the House would require the Senate to vote again. For both House and Senate leadership, wiggle room remains at a premium as President Donald Trump continues to desire that the bill is sent to his desk prior to this Friday, July 4, although recently acknowledging it may be hard to achieve. We

will continue to provide you with regular updates as more developments occur. Please don't hesitate to contact the Kansas Hospital Association if you have any questions.