



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

**April 8, 2025**

#### **Congress Navigates Budget Reconciliation Debate**

Congress stands at a crossroads as the budget reconciliation debate turns back to the House following Senate passage of a novel approach to the entire process late last week. Last week, the Senate passed a budget resolution (51-48) that attempts to bridge divisions within the GOP by setting different tax and spending targets for the House and Senate chambers. This move sets the stage for an ongoing battle over reconciliation legislation.

To "unlock" reconciliation legislation, Congress must first pass a budget resolution instructing various House and Senate legislative committees to produce legislation to achieve certain tax and spending targets. Of particular concern for hospitals, the current proposed budget resolution contains instructions to the House Energy and Commerce Committee to target roughly \$880 billion worth of cuts in Medicaid over 10 years while giving the Senate Finance Committee just \$1 billion in reductions.

During the Senate debate, [Senator Jerry Moran delivered a floor speech](#) on keeping Medicaid viable for Kansans. His remarks highlight the vitality of this program to low-income Kansans and the Kansas providers who treat them, but also how this bill will ultimately set up a showdown on Medicaid-related provisions between the two chambers later this year. We at the KHA appreciate Senator Moran's thoughtful approach.

The narrow Senate vote underscores the challenges ahead. Two Republicans, Senators Rand Paul (R-KY) and Susan Collins (R-ME), opposed the resolution for opposing reasons. One argued it didn't cut enough, the other saying it cut too much. Meanwhile, House Republicans remain divided, with many generally unhappy with the Senate's approach. Many took Rand Paul's side of the need to make deeper cuts to federal spending.

It is unclear if there are enough votes to pass in the House. However, House Speaker Mike Johnson's hand was strengthened last week when Republicans won two special elections in Florida, expanding their majority to 220-215. This is still a historically small majority, and Republicans can afford to lose only two votes on any bill. Two Republicans have publicly stated they will vote against the Senate budget resolution, so they cannot afford additional defections. And remember, this is on a can-kicking resolution that begins the legislative process. The coming days will reveal if the House decides to approve or modify the Senate's proposal, but passage remains uncertain.

#### **Mehmet Oz, MD, Confirmed as CMS Administrator**

The Senate has confirmed Mehmet Oz, MD, as the new administrator of the Centers for Medicare & Medicaid Services. As part of the confirmation process, the Kansas Hospital Association worked with Senator Roger Marshall's office to ask Dr. Oz about his past public support for Medicare Advantage plans. Read [Dr. Oz's response to Senator Marshall's questions](#).

#### **Fiscal Year 2026 Appropriations Updates**

While the fiscal year 2026 appropriations process is on hold amid budget negotiations, Kansas Hospital Association staff have begun outreach to the Kansas Congressional Delegation offices for updates on their request forms. Thus far, Congressman Tracey Mann and Congresswoman Sharice Davids have made their forms available, while other offices await further guidance from their chamber's respective Appropriations Committees before making them public.

If you have questions about the appropriations process, how to submit an appropriations request or voice your support for a program's budget, please let us know.