



***KHA's Federal Advocate***

**June 10, 2025**

**OBBA Update: Senate Considerations Put Kansas Medicaid Dollars at Risk**

Senate Republican leadership is hoping to get President Donald Trump's signature One Big Beautiful Bill Act moving in the next couple of weeks. Some Senate committees tangential to the bill's central components have already started marking it up. More centrally relevant committees like the Senate Finance Committee are trying to put the finishing touches on their portions of the bill before releasing language in the next week to the general public.

Against this backdrop, last Friday, President Trump issued a memorandum stating his administration will attempt, when allowable by law, to keep state-directed payment rates for Medicaid in line with Medicare reimbursement rates as opposed to the current limit of average commercial rates. This goes against the intent of the House-passed One Big Beautiful Bill Act, which grandfathered in previously approved rates and allows non-expansion states to limit future SDP rates to 110 percent of Medicare rates. While this memorandum may not be intended for immediate regulatory enforcement it lines up with the rhetoric coming from the right side of the Senate GOP caucus, which is calling for additional cuts in spending. If the policies outlined in this memorandum were enforceable or were to become law, Kansas would lose out on more than \$820 million annually from newly passed changes to the state's provider tax and distribution of proceeds.

Kansas Hospital Association staff continue to work with our Senate offices on ensuring that Kansas' provider tax changes, which were passed by the Kansas Legislature before this bill was under consideration, be implemented similar to other states' programs that are already in place. Senator Jerry Moran (R-KS) continues to work closely with his colleagues to mitigate disruption to Kansas hospitals. Now, more than ever, both of our Senate offices need to hear from you. We ask that you read our [alert](#) on this important and urgent matter and write our Senators asking them to protect Kansas' Medicaid program.

Additionally, Senate Republicans are looking to place limits on insurance companies that engage in the practice of upcoding in their Medicare Advantage plans as part of the reconciliation bill.

This is the first time MA reform has truly come into focus as part of a moving legislative vehicle. Thanks go to Senator Roger Marshall (R-KS) for his vocal support for eliminating this type of obvious waste, fraud and abuse in Medicare.

As we await proposed language of how the Senate may modify health care sections of the bill, the Senate Parliamentarian has flagged certain provisions that are likely to run afoul of the Senate's "Byrd Rule," which assures that bills considered under budget reconciliation instructions can bypass the normal 60-vote threshold for Senate passage. In brief, reconciliation bills must follow previously passed budget instructions and may not achieve such compliance by creating new public law. Some provisions in the House-passed One Big Beautiful Bill Act may go beyond this scope, making the House likely to consider a clean-up bill that takes into account the Senate Parliamentarian's rulings.

Action is likely to heat up next week. In light of the recent developments, KHA has organized a Federal Advocacy Huddle, which we encourage you to attend. Member CEOs should have received information on a KHA member advocacy huddle scheduled for 8:30 a.m., Wednesday, June 11. If interested in joining the huddle, please contact your CEO. If you did not receive the huddle information, please contact [Jaron Caffrey](#) at [jcaffrey@kha-net.org](mailto:jcaffrey@kha-net.org) or (785) 233-7436.