[Your Name]
[Your Title]
Ballad Health
[Address]
[City, State ZIP]
[Email]
[Phone]
[Date]

The Honorable [Senator/Representative's Full Name]
[Senator/Representative's Office Address]
Washington, D.C.

RE: Urgent Request to Preserve Medicaid Directed Payments and Provider Tax Language in H.R. 1

Senator/Representative [Last Name],

As a team member of Ballad Health, which serves patients and families across Northeast Tennessee, I write to express deep concern about the Senate's proposed changes to Medicaid provider tax and directed payment provisions – and to urge you to support the carefully negotiated language passed in the House version of the reconciliation bill (H.R. 1), specifically Sections 44132, 44133, and 44134.

These sections are essential for hospitals like ours. They provide the critical support we need to continue serving Tennesseans – especially in rural and underserved communities where Medicaid makes up nearly 15% of our patient population. Removing or weakening these provisions would threaten the financial viability of care in large parts of our state.

Tennessee's rural hospitals are already under enormous strain. Chronic underpayment from Medicaid and Medicare, rising labor and supply costs, and persistent physician shortages – combined with the lingering effects of COVID-19 – have created a fragile ecosystem. Directed payments help us weather these pressures and ensure access for vulnerable patients who have nowhere else to turn.

We are especially concerned about the proposed Senate reductions that would phase down allowable directed payments by 10% annually. If enacted, Tennessee hospitals would face a $320 million funding cut in the first year alone – billions of dollars over time. For hospitals like mine, [Insert name of Hospital?] this would force us to make painful decisions: reducing services, halting critical programs or potentially closing facilities that serve as lifelines in our communities.

For example, our emergency department in TOWN sees over XXX visits a year and is the only hospital for YYY miles. A cut of this magnitude puts that service at risk.

We appreciate the support you have shown for the Hospital Investment Program (HIP) and your leadership in protecting access to care. The House bill includes a grandfather clause and vital protections that allow states like Tennessee to continue these programs and maintain the balance we have worked so hard to achieve.

We strongly urge you to:

- Support Sections 44132–44134 as written in the House-passed bill;
- Oppose any attempt to further reduce or undermine these Medicaid funding mechanisms; and
- Stand with Tennessee hospitals, providers and patients who depend on this support.

I welcome the opportunity to speak with you or your staff further and provide any data or details needed. We are proud to serve Tennessee, but we cannot do it alone. Now is the time to protect the stability we've fought to build.

Thank you for your continued leadership and commitment to the people of our state.

Sincerely,

[Signature]
[Your Full Name]
[Your Title]
Ballad Health