[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

Dear Senator/Representative [Last Name],

As a team member at Ballad Health, which serves patients across Southwest Virginia and the Appalachian Highlands, I am writing to share serious concerns about provisions in the Senate's version of the reconciliation bill that would jeopardize Virginia's existing Medicaid Directed Payment Program and provider assessment framework. I urge you to support the House-passed language in H.R. 1—particularly Sections 44132, 44133, and 44134 – which protect vital funding streams for Virginia hospitals.

The Medicaid Directed Payment Program (DPP) and provider assessments in Virginia generate billions of dollars annually in supplemental payments for hospitals. For many facilities – especially those in rural or underserved communities – these payments represent up to **25%-33% of net revenue**. They are essential for preserving access to care, keeping emergency departments open, supporting physician staffing, and maintaining services for our most vulnerable patients.

In Virginia, our system includes a **coverage assessment** to help fund Medicaid expansion and a **rate improvement assessment** that allows the state to draw down federal dollars and reinvest in hospitals through DPPs. These programs are intricately linked and carefully structured to meet federal requirements. The House version of H.R. 1 respects that structure by **grandfathering existing state programs**.

The Senate's draft legislation, by contrast, proposes sweeping changes that would reduce the allowable threshold for provider taxes and phase down DPPs – resulting in **an estimated $2.2–$2.5 billion in annual payment reductions** to Virginia hospitals. These cuts would be devastating.

At [Insert Hospital Name], for example, Medicaid supplemental payments help us maintain emergency and inpatient services in [Community Name], where access is already limited. These payments are not a bonus – they're the difference between stability and decline.

We greatly appreciate your leadership in supporting the Hospital Investment Program and your advocacy for rural healthcare. At this critical juncture, we respectfully urge you to:

- **Support Sections 44132-44134 as written in the House-passed reconciliation bill**;
- **Oppose any effort to reduce or alter Virginia's ability to operate its current Medicaid provider assessments and DPPs**; and
- **Stand with Virginia hospitals, providers, and patients who rely on these essential Medicaid funding structures.**

I would welcome the opportunity to discuss this issue further with you or your staff. Virginia hospitals have worked hard to build a sustainable model that supports access to care, stabilizes rural facilities, and addresses longstanding gaps in Medicaid reimbursement. This model is now at risk.

Please help us protect what we've built. Thank you for your continued leadership and commitment to the people of the Commonwealth.

Sincerely,
[Signature]
[Your Full Name]
[Your Title]