

With budget discussions well underway, lawmakers must identify ways to reduce the federal healthcare spend. Some proposals include eliminating or reducing provider taxes that fund Medicaid. These proposals are ill advised. Provider taxes are essential financing tool, especially for fiscally conservative states. Provider taxes allow states to use revenue from hospital taxes, instead of citizen taxes, to support the state share. Without this tool, **District 11** would suffer.

District 11 is home to hardworking families and small business owners who depend on local hospitals for essential care. From rural communities to growing cities, access to quality, affordable healthcare is vital to keeping the district strong. However, many hospitals face financial challenges, putting critical services at risk.

200,000 (25%) RESIDENTS ARE UNINSURED OR DEPENDENT ON MEDICAID

10,600

PREGNANT WOMEN DEPEND ON

MEDICAID FOR MATERNAL CARE EACH

In Texas **District 11**, there are **21** hospitals, including **8** rural hospitals Of those, **9** operate at a financial loss.

SAVING HOSPITALS BY DRAWING FEDERAL FUNDING VIA LOCAL PROVIDER TAXES

Local provider taxes play a critical role in sustaining hospitals across **District 11**, by allowing them to access federal matching funds – without requiring citizens to pay more. Unlike other funding mechanisms, provider taxes do not impose any financial burden on local constituents or businesses, or the state. Instead, a local government collects a tax, assessment, or fee – defined as a "provider tax" in the Social Security Act – exclusively from hospitals in its jurisdiction. As long as these provider taxes comply with governing laws and regulations, they qualify as the nonfederal share needed to draw federal Medicaid dollars into Texas.

WITHOUT PROVIDER TAXES, CITIZENS PAY THE PRICE

Provider taxes provide essential funding for **District 11** hospitals, ensuring access to care for uninsured and Medicaid-dependent patients. Without provider taxes, **District 11** hospitals would face significant revenue shortfalls, forcing local governments to either cut hospital funding—risking closures and reduced services—or raise property taxes, shifting the financial burden onto local residents.

Providers	County	Property Tax Increase Needed to Replace Provider Tax Funding
 Adventhealth Central Texas ClearSky Rehab Hospital Seton Medical Center Harker Heights Hendrick Medical Center Brownwood Odessa Regional Medical Center Adventhealth Rollins Brook Mid Coast Medical Center - Llano River Crest Hospital Shannon Medical Center 	Bell	57%
	Brown	9%
	Ector	18%
	Lampasas	12%
	Tom Green	39%

Without proper funding, **District 11** faces two harsh realities: **hospital closures creating healthcare deserts or higher property taxes to keep hospitals open.**

Protect Provider Taxes. Protect Healthcare. Protect Communities.