Texas District 7

KEEPING HOSPITALS OPEN FOR HARDWORKING COMMUNITIES

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 7** would suffer.

District 7 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.

250,000 (31%)
RESIDENTS ARE UNINSURED OR DEPENDENT ON MEDICAID

48,200
PREGNANT WOMEN DEPEND ON MEDICAID FOR MATERNAL CARE EACH YEAR

In Texas **District 7**, there are **13** hospitals serving over **809,000** citizens. Of those, 3 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 7**, 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 7** hospitals, ensuring access to care for uninsured and Medicaid-dependent patients. Without provider taxes, **District 7** 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
• Houston Methodist • Kindred Hospital • Memorial Hermann Health System • PAM Health Rehab Hospital • St. Luke's Health • Westpark Springs • Behavioral Hospital of Bellaire • HCA Houston Healthcare West • Healthbridge Children's Hospital • West Chase Houston Hospital	Harris	37%

Without proper funding, **District 7** faces two harsh realities: **hospital closures creating healthcare deserts or higher property taxes to keep hospitals open.**

Protect Provider Taxes. Protect Healthcare. Protect Communities.