

Background:

With [H.R. 1 – the One Big Beautiful Bill](#) (OBBB) being signed into law, the health care industry will see significant funding cuts. These cuts come at a time when many providers are already stretched thin and cannot absorb further financial strain. As we head into a pivotal fall, urgent advocacy is needed to protect against further funding reductions as Congress considers extending expiring provisions.

CHA asks that Colorado hospital and health system leaders connect with their representatives and senators over the August recess to share these key messages:

Advocacy Priorities

- Extend Enhanced Premium Tax Credits: These tax credits help people purchase insurance on the Health Insurance Marketplaces, but they are set to expire at the end of the year. Without action, the Colorado DOI [estimates](#) an average insurance premium increase of 28% in 2026. Urge Congress to extend these tax credits and protect access to health coverage that Coloradans rely on.
- Prevent Medicaid Disproportionate Share Hospital (DSH) Cuts: The Medicaid DSH program is a critical line of financial support for hospitals that care for vulnerable populations. Unless Congress acts, cuts will go into effect on Oct. 1, and Colorado's Medicaid DSH allotment is scheduled to be cut by 34.8% according to the Medicaid and CHIP Payment and Access Commission (MACPAC). Urge Congress to provide relief from Medicaid DSH cuts because it will give hospitals who care for underserved populations desperately needed funding.
- Extend Low-Volume Adjustment and Medicaid-Dependent Hospital Programs: Low-volume adjustment and Medicaid-dependent hospital programs help ensure rural residents have access to care by providing rural, geographically isolated, and low-volume hospitals with financial support. Urge Congress to protect rural access to care by extending these programs before they expire on Sept. 30.
- Extend Telehealth and Hospital-At-Home Programs: These vital programs ensure continuity of care by enabling providers to care for patients without them having to travel long distances. Urge Congress to extend these programs before they expire on Sept. 30 so patients can get the right care at the right time.
- Prevent Statutory Pay-As-You-Go Act of 2010 (PAYGO) Medicare Sequester: Statutory PAYGO requires, among other things, that mandatory spending and revenue legislation not increase the federal budget over a 5- or 10-year period without offsets, and if offsets are not sufficient, it requires across-the-board reductions or sequestration. Without Congressional action, the OBBB's \$2.3 trillion deficit increase will trigger automatic Medicare cuts from the current 2% up to 4% starting in 2026. Urge Congress to take action to prevent the implementation of the Medicare sequester.
- Reject Site-Neutral Payments: Site-neutral payments would compensate hospital outpatient departments the same as independent physician offices and other ambulatory sites of care. This ignores the enhanced level of care provided by hospitals and the patients that need it. Urge Congress to reject proposals for site-neutral payment policies.

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- Protect 340B Drug Pricing Program: The 340B program provides critical support to hospitals by helping them manage rising prescription drug costs and expand access to care for patients. Urge Congress to oppose any harmful changes to the 340B program.

What CHA has done/ is doing:

CHA President and CEO Jeff Tieman, other members of the CHA team, and member hospital and health system leaders are participating in events to bring awareness to the effects of the OBBB and to advocate for fall priorities. CHA is also continuing to engage in proactive media outreach to call for collaborative solutions to address concerns related to the OBBB. Through outreach to Colorado's Congressional delegation, CHA is ensuring that the immediate and long-term challenges hospitals are facing are well understood.

Topline talking points:

Expiring Health Programs

- The OBBB will have serious consequences for Colorado patients, providers, and hospitals in the years ahead. Lawmakers must guard against further damage and protect patients and the health care infrastructure that is already at risk of fracturing under federal pressure.
- Colorado patients and hospitals rely heavily on the programs and subsidies that are set to expire. With more than 70% of Colorado hospitals already operating without a sustainable margin, failure to extend these critical lifelines will worsen hospitals' chances of enduring the OBBB and threaten access to essential care for patients across the state.
- Health insurance rates in Colorado are expected to increase an average of more than 28% in 2026 as a result of expiring enhanced federal tax credits and a weakened reinsurance program. This could leave thousands of Coloradans without coverage, driving up uncompensated care costs and adding strain on an already stretched health care system.
- As hospitals and state leaders work to respond to the full scope of challenges posed by the OBBB, which includes an estimated \$10.4 billion loss in funding over five years and an increase in Colorado's uninsured population by approximately 150,000 people, the Congressional delegation must prevent additional cuts to funding and further destabilization.
- Colorado's hospitals simply cannot absorb the rising costs due to inadequate funding and increases in uncompensated care without making cuts to services or closing their doors. Without sufficient support for hospitals, the health and stability of the communities they serve are jeopardized.

Hospital Sustainability

- It's important to level set on the state of hospital care in Colorado to help better inform your decision making and guide conversations in the weeks ahead.
- Currently, 70% of Colorado hospitals are operating with small or negative margins, leaving little to reinvest in patient care or necessary updates to equipment. Labor costs are up 40%, and drugs and supplies up 50%, at a time when Medicaid continues to pay only 79 cents on the dollar.
- Unfortunately, when resources run out, hospitals may be forced to close or reduce services.
- *[Insert example of what services are at risk in your facility.]*

What should you do:

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Contact Colorado's senators and your representative directly or through the [CHA outreach tool](#). The August recess is an important time to connect with lawmakers by inviting them to your hospital or participating in local events. Explain the importance of policies that allow hospitals to care for their communities and share examples of how funding cuts will affect your hospital.

Resources:

- [AHA – Action Alert for August Recess](#)
- [CHA – OBBB Colorado Impact and Timeline](#)
- [HCPF – OBBB Insights and Impacts](#)
- [Alston & Bird – OBBB Summary](#)
- [AHA – OBBB Legislative Advisory](#)
- [AHA – OBBB Provisions Timeline](#)
- [DOI – Preliminary 2026 Premium Rates Announcement](#)
- [CHA – Federal Budget Talking Points \(June 2025\)](#)
- [CHA – Hospital Financial Challenges Fact Sheet](#)
- [CHA – Medicaid Fact Sheet](#)
- [CHA – Federal Cuts to Health Care Webpage](#)

Contact CHA:

Please contact Megan Axelrod, CHA vice president, regulatory and federal affairs, at megan.axelrod@cha.com with any questions.