

INSIGHTS

House Ways and
Means Oversight
Subcommittee
Hearing on
Tax-Exempt Hospitals

House Ways and Means Oversight Subcommittee Hearing on Tax-Exempt Hospitals

On September 16, 2025, the House Ways and Means Oversight Subcommittee [held](#) a hearing on examining the role of tax-exempt hospitals, the sustainability of rural health care, and the future of Affordable Care Act premium tax credits (APTCs). Members debated whether current policies enable hospitals to fulfill their charitable missions, the impact of Medicaid expansion and proposed Medicaid cuts, and the need to extend premium tax credits set to expire at the end of this year.

WITNESS TESTIMONY

- Dr. Ge Bai, PhD, Professor of Health, Policy, and Management, Johns Hopkins Bloomberg School of Public Health – [Testimony](#)
- William Hild, Executive Director, Consumers' Research – [Testimony](#)
- Dr. Christopher Whaley, PhD, Associate Director, The Center of Advancing Health Policy through Research, Brown University – [Testimony](#)
- Dr. Stanley Goldfarb, Chairman of the Board, Do No Harm – [Testimony](#)
- Dr. Jill R. Horwitz, Trobman Family Innovation Professor, Northwestern University Pritzker School of Law and Professor of Emergency Medicine, Northwestern Feinberg School of Medicine – [Testimony](#)

MEMBER DISCUSSION

Rural Hospital Viability

Rep. Gregory Murphy (R-NC-03) raised concerns about how rural hospitals can continue to survive in today's strained health care environment. Dr. Whaley argued that strengthening competition and markets is essential to protecting rural hospitals, while Dr. Horwitz emphasized that without nonprofit hospitals, many rural communities would lose access to hospital services altogether. Members repeatedly acknowledged that rural hospitals face unique challenges, including shrinking patient populations, limited provider networks, and dependence on Medicaid and Medicare, which leave them financially vulnerable.

Medicaid Expansion and Savings

Rep. Terri Sewell (D-AL-07) asked how Medicaid expansion has affected the provision of community benefits, noting that expansion has enabled hospitals to treat more low-income individuals. Rep. Judy Chu (D-CA-28) built on this by asking how potential cuts to Medicaid would affect nonprofit hospitals, given their reliance on Medicaid reimbursements. Dr. Horwitz warned that cuts under the reconciliation bill would reduce hospitals' ability to provide uncompensated care and limit their capacity to respond to community needs.

Rep. Suzan DelBene (D-WA-01) pressed witnesses on what Congress could do to help hospitals at a time when health care feels "under attack." Dr. Horwitz responded that clearer IRS guidance could help nonprofit hospitals remain compliant with their obligations while ensuring they continue to serve vulnerable patients.

Affordable Care Act Premium Tax Credits (APTCs)

Rep. Thomas Suozzi (D-NY-03) highlighted that APTCs are set to expire at the end of December, warning that without congressional action, insurance rates could rise dramatically. He stressed that there is bipartisan recognition of the need to extend the credits. Mr. Hild agreed, emphasizing that affordability is the key concern for families, while Dr. Goldfarb echoed the affordability issue though acknowledged limited expertise in this area. Dr. Bai opposed extension, contending that subsidies do not address underlying problems and that insurance does not equate to true coverage. Dr. Whaley and Dr. Horwitz countered that rising hospital costs are fueling premium increases and warned that without extending APTCs, more Americans would lose coverage as insurance prices continue to climb.

We trust you found this summary useful. Please reach out to [us](#) with any questions.

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