

MedChi NEWS

Why MedChi Opposed H.R. 1

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Some members have asked why MedChi so strong in opposition to the Federal HR1 bill was that recently passed when other parts of organized medicine were less vocal.

1. No Permanent Medicare “Doc Fix” for Physicians

While H.R. 1 includes a temporary 2.5% update to the Medicare Physician Fee Schedule for 2026, it does not implement a long-term physician payment reform. Medical groups, including the AMA, have warned that this approach fails to correct long-term inflation-based cost shortfalls—especially problematic for physicians in rural and underserved areas facing practice-cost increases and inadequate reimbursement.

2. Massive Medicaid Cuts Threaten Access to Care

MedChi joined a coalition of state medical associations urging senators to reject H.R. 1 due to deep Medicaid cuts. Under the bill, Medicaid spending would fall by roughly \$723-\$911 billion over a decade, potentially causing 10 million people to lose coverage—including low-income and dual-eligible Medicare beneficiaries.

These cuts include:

- A freeze on provider taxes—an essential funding mechanism used by most states including Maryland.
- Caps on state-directed Medicaid payments that effectively force payments down to Medicare levels, undermining services that require higher reimbursement such as complex care, rural hospitals, and critical access facilities.

3. Real-World Impact: Reduced Service and Facility Closures

Even with a \$50 billion rural hospital fund packaged into H.R. 1, experts warn it covers only ~37% of projected Medicaid losses for rural areas—and it expires by 2032

MedChi, and the broader coalition of state medical societies, concluded that H.R. 1 fails to meet critical needs:

1. It lacks a permanent Medicare payment reform that would keep physician practices afloat long term.
2. It enacts sweeping Medicaid cuts, threatening coverage and destabilizing providers, especially in low-income and rural communities.

Instead, MedChi urged lawmakers to pursue balanced reforms that protect Medicaid for vulnerable patients, expand the physician workforce via student debt relief, and establish sustainable Medicare payment updates tied to inflation that preserve access to care—for Marylanders and across the country.

To learn more about the impact of HR1 in Maryland:

[State of Maryland Impact Summary](#)

[CAP Summary](#)

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