COMPARATIVE ANALYSIS:

SENATE AND HOUSE REVISIONS VS. MHC REVISIONS

I. Overview:

This analysis compares proposed Medicaid and ACA changes from the Senate Finance Committee & House Bill revisions against MHC revisions, highlighting differences in policy focus, fiscal impact, & protections for rural states like Mississippi.

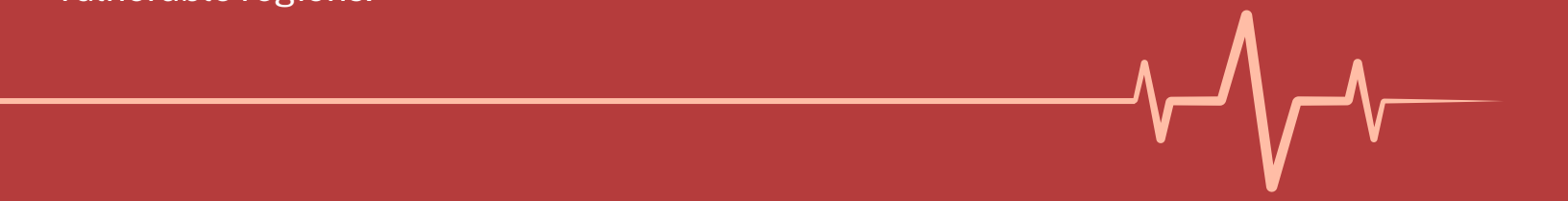
II. Policy and Financial Comparison Table (MHC Revisions = $38.75B)

Policy Element	Senate Finance Committee	House Revisions	MHC Revisions
FMAP Reduction	Uniform cut across all states	Applies cuts only to expansion states	Stabilizes FMAP for non-expansion states; adds quality-based FMAP bonus (0.5–1.5%) and rural tiered buffer (modified to cap at +2%); introduces −0.25% FMAP penalty for non-participation in MQIF
Provider Tax Cap	Caps new taxes at 3.5%; 5% allowed if grandfathered	Maintains 5% or greater cap through 2025	Retains 6% for high-Medicaid/rural states; maintains $1B Provider Tax Buffer Fund
DSH Cuts	$8B/year cut with no mitigation	Same	$8B cut softened with $250M/year DSH Overlay Fund targeting hospitals with ≥15% Medicaid/uninsured
Work Requirements	Mandatory 80 hrs/month; no exemptions	Same	Exemptions for high-poverty/unemployment counties; vulnerable groups protected; Admin Support Fund scaled to $500M/year
ACA Subsidy Expiration	Ends in 2025	Same	Same
Medicaid Quality Incentive Fund (MQIF)	Not included	Not included	Included; links FMAP bonus to state/hospital quality performance on measurable outcomes
County-Level Customization	Not included	Not included	Included; used for determining work exemptions, FMAP overlays, and DSH allocation

III. Annual Federal Savings Overview

Policy Element	Current Bill Projected Savings	Senate Finance Plan	House Plan	MHC Revisions
FMAP Reduction	$2.4B/year	~$2.4B/year	~$1.8B/year	$1.5B/year
Provider Tax Cap	$1.2B/year	~$1.2B/year	~$0.6B/year	Minimal (offset by fund)
DSH Cuts	$8B/year	$8B/year	$8B/year	$7.5B/year
ACA Subsidy Expiration	$33.5B/year	$33.5B/year	$33.5B/year	$33.5B/year
Medicaid Work Requirments	Administrative savings + coverage loss (20M people)	Same	Same	Coverage loss reduced to ~5M; $1B admin fund adds cost
Total Estimated Savings	~$45.1B/year	~$45.1B/year	~$43.9B/year	~$38.75B/year

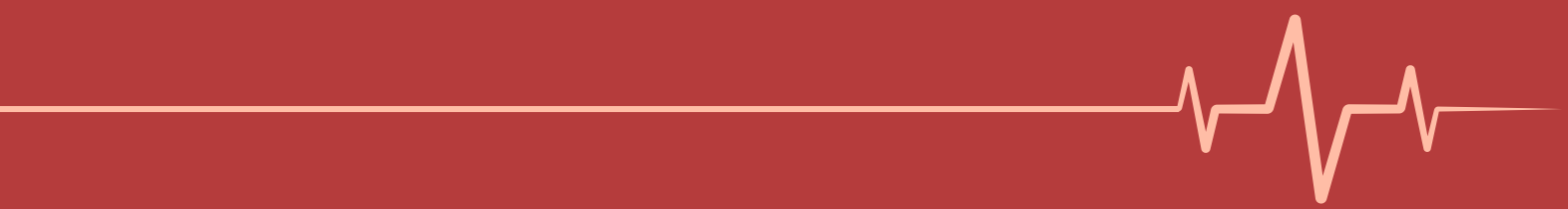
These revisions bring closer fiscal alignment with the original legislative goals — achieving approximately **$38.75B in annual federal savings** while preserving protections for high-risk states like Mississippi. into closer fiscal alignment with the Senate and House cost-savings objectives without abandoning targeted safeguards for vulnerable regions.



IV. Fiscal Summary: Federal and Mississippi Impacts

Policy Element	Federal Annual Savings	Mississippi Estimated Impact
ACA Subsidy Expiration	$33.5B	~143,000 individuals lose coverage
FMAP Reduction w/ Adjustments	$2.5B	~$150–$200M loss, mitigated by buffer
Provider Tax Cap (unchanged)	$1.2B	~$120M forgone federal match
DSH Overlay Fund Reduction	+$0.25B (savings)	MS overlay drops from ~$5M to ~$2.5M annually
Admin Support Fund (scaled)	+$0.5B (savings)	MS allocation drops from ~$10M to ~$5M
MQIF Non-Participation Penalty	$2.0B	MS allocation drops from ~$10M to ~$5M

Total Federal Savings: $38.75B/year
Estimated Mississippi Fiscal Strain (Net): $275M–$325M annually versus the (Original Bill): ~$475M–$525M/year



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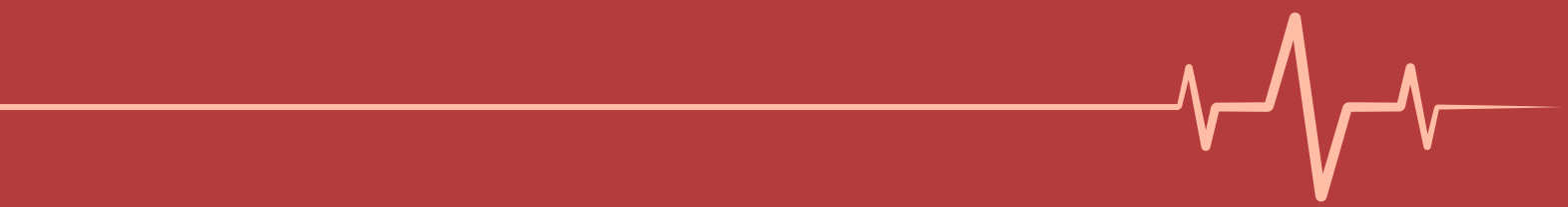

National Fiscal Impact Comparison: Original Bill vs. Revised Plan

Policy Element	Original Bill: U.S. Strain	Revised Plan: U.S. Strain	Net Relief (Annual)
FMAP Reduction	~$2.4B shifted to states (across the board)	~$1.5B, with buffer for rural/non-expansion states	✅ ~$0.9B less strain
Provider Tax Cap (3.5%)	~$1.2B in lost federal matching across high-use states	Still capped, but offset by $1B buffer fund in revisions	✅ ~$1B strain offset
DSH Cuts ($8B)	~54% cut nationally with no replacement	Softened via $250M overlay fund targeting safety-net areas	✅ ~$0.25B less direct strain
Admin Burden (Work Requirements)	$0 funding; states bear monitoring & compliance	$500M/year federal Admin Support Fund	✅ ~$0.5B relief to states
ACA Subsidy Expiration	~4M lose coverage; strain shifts to safety-net hospitals	Same – no revision in revised plan	❌ No change
MQIF Non-Participation Penalty	N/A	FMAP penalty encourages engagement; not a direct burden ~$45.1B/year	➖ Performance-based incentive

Total Net Fiscal Relief to U.S. States: ~$2.65B–$3B/year

While the revised plan still targets $38.75B/year in federal savings, it reduces the strain on states and providers by:

- Replacing blunt cuts with performance-based incentives
- Buffering non-expansion states and rural hospitals
- Offsetting administrative mandates for Medicaid enforcement
- Providing partial relief for uncompensated care via targeted DSH overlays

Original Bill's National Strain:

- Would have pushed over $7–8B/year in new burdens onto states, providers, and safety-net systems.
- Did not account for transition costs, administrative buildup, or regional hospital collapse risks, especially in rural areas.

Revised Plan's Strategy:

- Balances federal savings with targeted supports
- Still achieves ~86% of the original $45.1B savings goal
- Protects coverage, access, and solvency of rural healthcare systems more effectively

This summary reflects the trade-offs of revised federal cost-containment policies alongside the localized impact on Medicaid populations, provider funding, and uncompensated care in high-risk regions like Mississippi.

- Senate and House drafts prioritize fiscal reduction with little structural protection for vulnerable regions.
- MHC Revisions prioritizes health access through buffers, exemptions, and targeted funds.
- The MHC Revisions preserves $19.35B in federal cost savings while drastically reducing rural risk.
- Only the MHC Revisions proposes measurable outcomes (MQIF) to align funding with health system performance.

Conclusion:

MHC Revisions provides a balanced approach that reduces fiscal strain without jeopardizing hospital infrastructure, especially in underserved states. The Senate and House options may save short-term but at the cost of long-term care access and health equity.