

July 1, 2025

As deliberations over **H.R. 1** continue and the US House considers the version of the bill adopted by the US Senate, it is with great urgency that I write to share the concerns of the North Carolina Medical Society and our state's physicians and physician assistants. The expansive bill touches on many areas that will impact our state and we would again seek your consideration as this legislation is further debated.

Since the introduction of H.R. 1 on May 20, 2025, we have been engaged with many stakeholder organizations here in North Carolina and across the country. We have also remained in contact with your office in our ongoing effort to be a partner for effective health policy. Our past and ongoing dialogue has yielded a long and growing list of issues and concerns related to the pending legislation and I am sharing that compilation with you below.

Medicaid

- In North Carolina . . .
 - Total enrollment in Medicaid is 3.1 million – 1 in 4 of our state's citizens.
 - 1.5 million children are covered by Medicaid.
 - 50% of all births in North Carolina are covered by Medicaid.
 - Medicaid expansion was enacted in North Carolina with bipartisan support among members of the NC General Assembly.
- Under Medicaid expansion . . .
 - 670,000+ are newly enrolled and now have coverage.
 - Overdoses in North Carolina have decreased.
 - Visits to emergency departments resulting from overdose are down by 29%.
 - Suspected overdose deaths down by 27% from 2023 to 2024.
 - There are more behavioral health providers serving people covered by Medicaid.
 - Many veterans and their families are ineligible for health care through the VA and through expansion can now get covered through Medicaid. Before expanding Medicaid, North Carolina had one of the highest rates of uninsured veterans in the nation.
- The Provider Tax is vital for our state's Medicaid funding formula.
 - If the cap on the Provider Tax, which helps fund Medicaid in North Carolina, is reduced, we will lose a vital source of funding for the program.
 - There can be no new state-appropriated funds to offset the resulting increased costs without action by the General Assembly, and the legislature is already facing budgetary challenges.
 - A Provider Tax adjustment could trigger North Carolina's Medicaid expansion rollback.

- Without alternative revenue sources, North Carolina will be faced with having to cut enrollee benefits, slash already-low provider rates, and/or drastically restricting eligibility.
- Work Requirements . . .
 - Implementing work requirements would add considerably to the load that county and local officials are already facing. Another layer of administrative process will create eligibility delays, which will result in delays in patient care.
 - Other states' experience with work requirements have shown that enrollees frequently lose Medicaid coverage due to administrative challenges and paperwork, which inadvertently impact coverage and care.

Medicare Payment

- The House version of H.R. 1 addresses Medicare physician payment by tying it to inflation and establishing a permanent, annual update based on the Medicare Economic Index. The provision reflects policy principles that we and other clinician stakeholders have long advocated for.
- The persistent undervaluation of clinician services has access to care for Medicare patients on a precarious cliff. When adjusted for inflation, Medicare physician payments have declined by 33 percent since 2001, and the consequences are becoming painfully evident. Medical practices are having to adjust due to their declining capacity to accommodate Medicare patients as confirmed in the NC Medical Society's recent [survey](#).
- We respectfully request, at a minimum, the inclusion of the Medicare payment provision in the final bill language, which the House approved on May 22, 2025. This provision represents a critical step toward stabilizing the Medicare Physician Fee Schedule (MPFS) and protecting access to care for seniors and individuals with disabilities. It also supports small businesses by helping medical practices remain viable in the communities they serve.

Supplemental Nutrition Assistance Program (SNAP)

- Nutrition is a key determinant of health.
- 1 million+ North Carolinians are food-insecure.
- 66% of SNAP enrollees are families with children.
- Over 500,000 children are eligible for school meals due to SNAP.
- 46,000+ of our state's veterans benefit from SNAP.
- 34% of SNAP enrollees are seniors or adults with disabilities.
- 80% of North Carolina SNAP enrollees are employed.
- A shift in SNAP funding would put the state on the hook for a greater cost share at a time when state budget pressures are increasing.
- SNAP brings positive economic impact to communities across the state, especially rural grocery stores. Jobs associated with grocery stores, agriculture, manufacturing, transportation, and related industries would be at risk if SNAP funding is cut.

ACA Marketplace

- An estimated 200,000 North Carolinians could lose coverage if Marketplace subsidies expire, which would impact access to care.

Student Loans

- Medical school is already the most expensive type of post-secondary education in North Carolina and across the nation.

- Medical school graduates have an average debt of \$212,341.
- Student loan changes under consideration could reduce the pipeline of future physicians by making medical school unaffordable for many prospective students, limiting the borrowing and repayment options for physicians in training, and deterring physicians from pursuing primary care specialties.
- A decline in primary care physician trainees will impact access to care in rural North Carolina where challenges already exist.

Our purpose in following up with you at this time during the legislative debate is to reiterate what we feel are priorities for our state and prompt awareness of potential consequences as decisions are made. The North Carolina Medical Society has long advocated for meeting the coverage and care needs in our state and our members and their clinical colleagues continue in their commitment to fulfill what we feel as an obligation to those we serve. It is our hope that our concerns will help your deliberations in Congress and that the result will be positively felt across our state.

Thank you for your leadership and for lending an ear to the voice of those caring for our citizens facing illness and disability.

Very best wishes,

A handwritten signature in black ink, reading "John J. Meier, IV". The signature is fluid and cursive, with the last name "Meier" being more prominent and the "IV" written in a smaller, simpler font at the end.

John J. Meier, IV, MD, MBA
President
North Carolina Medical Society