PROTECT OUR CARE

New Report

The Republican War on Health Care: Medicaid Cuts for Millions, Tax Cuts for the Ultra-Wealthy

The GOP Will Sacrifice Health Care For 70 Million Who Depend on Medicaid To Pay For Tax Breaks for the Ultrawealthy

Introduction:

Republicans have long been eyeing key health programs like Medicaid for drastic budget cuts – and now they finally have the power to push them through. In recent weeks, Republican lawmakers have reignited their call for cuts to Medicaid, which would have a devastating impact on millions of families across the nation.

Medicaid is an essential pillar of our health care system with 72 million Americans currently covered through the program. That translates to one in five Americans who rely on Medicaid in order to get the care they need, including moms, seniors, kids, people with disabilities, and working people who don't receive health insurance through their employer. Medicaid has made people healthier, kept rural hospitals open, and saved lives, but Republicans continue to target it for deep budget cuts in order to fund tax breaks for billionaires and big corporations. Countless proposals from the Trump administration, Republican Study Committee, House Budget Committee, and Project 2025 have pushed for dangerous policies that would gut federal funding, strain state budgets, and force states to cut benefits and kick people off coverage. If Republicans get their way, millions of hardworking Americans will lose the critical health care they need to stay healthy.

By The Numbers:

- The GOP is putting health care at risk for 72 million (21 percent) Americans, including:
 - 8.3 million seniors
 - 31.5 million children
 - <u>15.2 million</u> working adults
 - 36.9 million non-elderly Americans of color
 - 52.4 million women
 - 9.1 million people with disabilities
- Republicans will create at least a \$50 billion hole in state budgets annually to pay for tax breaks for the wealthy and corporations.
- <u>12 states</u> have a trigger law meaning that if Republicans gut funding for Medicaid expansion, it would quickly rip away health care from <u>4 million people</u>.

Unraveling The Policies Behind The Republican Scheme To Gut Medicaid

We've seen this before. President Trump and Republicans in Congress spent nearly a decade trying

to take Medicaid away from American families. Every single year in office, President Trump put forth budgets that would undermine health care for working Americans, seniors, children, and people with disabilities. He called for trillions in cuts to Medicaid through ill-advised caps and the repeal of programs such as Medicaid expansion, which allowed more Americans than ever to enroll in Medicaid for their health insurance. Despite the fact that two-thirds of Americans agree that large cuts to Medicaid proposed by the GOP are a bad idea, Republicans are eyeing steep cuts again to pay for their tax breaks for the wealthy like Elon Musk. President Trump's GOP allies in Congress and at conservative think tanks doubled down on these failed policies in recent proposals such as the Republican Study Committee's fiscal year 2025 budget, the Republican House Budget Committee's fiscal year 2025 budget resolution, the Heritage Foundation's Project 2025 plan, and the Paragon Health Institute's Medicaid Financing Reform proposal, laying out a blueprint to sacrifice health care for millions.

Since Medicaid is jointly funded by the federal government and the states, GOP proposed cuts would be a significant cost-shift to states, exacerbating current state budget deficits and forcing Governors to make the hard choices. To compensate for the dramatic cuts in funding, states will be forced to raise taxes, cut other parts of their budget such as K-12 education, or make steep cuts to Medicaid eligibility and benefits that lead to thousands of Americans losing their coverage and access to optional yet essential services such as nursing home care and prescription drug coverage. States could be forced to do a combination of all three if Republicans succeed, leading to immense financial pain for working-class families and heavier wallets for the extremely wealthy. For more detail on the magnitude of potential funding cuts to state budgets, see this <u>December report</u> and this <u>January report</u> from CBPP.

The main components of the Republican scheme to gut Medicaid include:

1. Eliminate The ACA Medicaid Expansion. After spending years failing to repeal the Affordable Care Act, Republicans still have not learned their lesson. They are putting one of the most popular provisions of the Affordable Care Act, Medicaid expansion, on the chopping block yet again. The Affordable Care Act incentivized states to expand Medicaid eligibility by offering enhanced matching federal funds. As a result, 41 states and DC expanded Medicaid, providing health care to an additional 21 million Americans. Republicans want to eliminate these enhanced funds and repeal Medicaid expansion. If federal funding for Medicaid expansion is terminated most states will be unable to make up for it elsewhere in their budget and 21 million Americans will be at risk of losing their health care. 12 states with Medicaid expansion including Arizona, Arkansas, Idaho, Illinois, Indiana, Iowa, Montana, North Carolina, New Hampshire, New Mexico, Virginia, and Utah have a trigger law, which means that if the GOP succeeds in cutting expansion funding, 4 million people will quickly lose their health care. Research shows Medicaid expansion

- improves people's health, keeps hospitals open, increases families' financial security, and saves lives but Republicans will stop at nothing to repeal it.
- 2. Reduce The Amount Of Federal Funding That Matches State Medicaid Funding. As part of their plans to slash spending, Republicans could achieve their longtime goal of gutting federal funding for Medicaid expansion and traditional Medicaid. These cuts will create a \$50 billion hole in state Medicaid budgets to pay for tax breaks for the wealthy and corporations. States such as California, New York, New Jersey, Washington, and Colorado, would face especially huge federal funding losses and financial burdens under Republican proposals. To compensate for the dramatic cuts in funding, states will be forced to raise taxes, cut other parts of their budget such as K-12 education, or make steep cuts to Medicaid eligibility and benefits that lead to thousands of Americans losing their coverage and access to essential services such as nursing home care and prescription drug coverage. States could be forced to do a combination of all three if Republicans succeed, leading to immense financial pain for working-class families and heavier wallets for the extremely wealthy.
- 3. Radically Restructure Medicaid Through Block Grants, Resulting In Deep Cuts. Another way Republicans want to cut Medicaid and rip away health care for millions is by converting the program into block grants. Block grants would shift costs to states and cap the federal Medicaid funding states receive, resulting in deep cuts to Medicaid programs. Block grants force states to make deep cuts to their Medicaid programs to compensate for the federal funding cuts. The federal government is an essential source of funding for Medicaid programs and Republicans' proposals to slash billions in federal funding from Medicaid would strain already tight state budgets and leave tens of millions of people uninsured. On top of being a backdoor attempt to cut Medicaid funding, block grants would inhibit flexibility in funding, which is necessary for maintaining state infrastructure and responding to health care needs during economic emergencies like COVID-19. It would also dry up critical funding for urban and rural hospitals and nursing homes. Implementing block grants for Medicaid would worsen access to care, health outcomes, and financial security for people who rely on Medicaid, and dramatically increase the cost for states to run the program and provide crucial health care. Puerto Rico's Medicaid program operates under a block grant. The program has been responsible for the commonwealth's large Medicaid funding shortfalls and contributed to their fiscal and debt crisis.
- 4. Introduce Per Capita Caps For Medicaid, Shifting Costs To States While Reducing Benefits and Kicking People of Coverage. Republican leaders have recently expressed interest in a per capita cap for states' Medicaid enrollment, which they have included in previous Republican budget proposals. This type of spending cap imposes a restriction on the amount the federal government will contribute per capita to states' Medicaid budgets, increasing the amount

states must contribute to their Medicaid programs. Per capita caps only increase costs for people who rely on Medicaid – often in the form of higher premiums and out-of-pocket costs. As a result, even if someone qualifies for Medicaid, they may not be able to afford it, leaving them unable to seek the care they need to stay healthy. A 2025 case study shows that if Republican per capita cap proposals had been implemented in 2018, nearly all states would have faced a federal Medicaid funding shortfall, substantially increasing state costs and resulting in people losing Medicaid benefits.

- 5. Saddle Americans With Burdensome Bureaucratic Reporting Requirements. Several recent Republican budget proposals have included plans to introduce bureaucratic work reporting requirements as a mandatory part of Medicaid enrollment and verification that would jeopardize health coverage for up to 36 million Americans. Research shows that work reporting requirements cost states money and do not improve people's ability to find work. Medicaid provides affordable coverage to over 15 million hardworking people who don't receive coverage through their employer, such as people who work in retail or facility maintenance. Studies of states that have implemented work requirements have repeatedly found these barriers increase disenrollment rates, particularly among those with chronic illnesses. Other studies have found that even people who rely on Medicaid who work often struggle with the complex paperwork requirements and risk losing coverage even if they are in compliance with the work requirements. In Georgia, a GOP alternative to Medicaid expansion emphasizing work requirements cost taxpayers \$26 million, only provided coverage to 3,500 people, and resulted in consulting firms pocketing 90 percent of the funding.
- 6. Kicking People Off Coverage By Making It Harder For Working Families To Get Enrolled and Stay Enrolled. Congress could repeal or the Trump administration could rescind a <u>Biden administration rule</u> that simplified paperwork required to enroll and renew Medicaid coverage. Overturning the rule means more unnecessary bureaucratic red tape for working families, and will likely result in <u>1 million fewer individuals</u> having Medicaid.
- 7. Impose Lifetime Caps For People On Medicaid. The Project 2025 playbook wants to impose lifetime caps for people on Medicaid. If enacted, the Center For American Progress found that these caps would strip benefits from hardworking families and people with complex medical conditions, particularly in states that have not expanded Medicaid, endangering coverage for the 18.5 million people with Medicaid who qualify based on income alone.

The Devastating Consequences Of The Republican Scheme To Gut Medicaid

Seniors And Their Families Will Be Sold Out For Tax Breaks For The Wealthy.

Republicans are putting health care for seniors on the chopping block to give corporations more tax breaks. Over 8 million seniors across America rely on Medicaid for affordable and essential health care. One in five federal Medicaid dollars is spent supporting seniors. Medicaid helps seniors afford their Medicare premiums and out-of-pocket costs. Since Medicare does not cover long-term care services, Medicaid is the nation's single largest payer for long-term care. Republican cuts to Medicaid will not only affect these seniors, but the loved ones who count on Medicaid to ensure their parents or grandparents are looked after. Medicaid helps seniors age with dignity and independence and lightens the load of working families struggling to get by. Republican cuts to Medicaid sell them out to line the pockets of the wealthy. Through combined efforts to also cut Medicare, it is clear the GOP wants to leave seniors in the dust.

- Millions Of Seniors Count On Medicaid For Essential Care. Over <u>8 million</u> seniors are enrolled in Medicaid. It helps seniors afford their premiums, out-of-pocket costs, long-term care, vision care, and transportation.
- Medicaid Funds More Than Half Of Long-Term Care Nationwide. As seniors age, long-term
 care services become more essential, serving about <u>70 percent</u> of seniors who will need some
 form of long-term care in their lives.
- Medicaid Pays For 3 In 5 Long-Term Care Residents In Nursing Homes. Medicaid covers
 nursing home bills for over 60 percent of residents in nursing homes. The median private nursing
 home room cost over \$110,000 a year in 2024.
- Nearly 6 Million Older Adults Live Below The Federal Poverty Level. For millions of
 seniors and older Americans on fixed incomes, Medicaid is a lifeline. Many seniors survive off
 of low incomes or have chronic health conditions that prohibit them from working. Medicaid
 allows these individuals to keep getting the care they need by filling in the gaps in their Medicare
 coverage without having to worry about choosing between food and housing or their health.
- Many Seniors Could Lose Their Coverage Entirely. When states are forced to cut costs, they
 could reduce income eligibility levels for seniors leading many to lose their coverage. The ACA's
 Medicaid expansion covers 21.4 million people, including many older adults not yet eligible for
 Medicare. Eliminating the expansion would leave these seniors with few options to turn to.

The GOP Will Abandon The 31 Million American Children Who Rely On Medicaid.

Medicaid is a lifeline for America's children. Children have the <u>highest poverty rate</u> of any age group. Medicaid covers nearly half of all American children. GOP cuts to Medicaid would jeopardize coverage

for these vulnerable children including children with special needs, foster youth, and children of color. They would gut children's access to essential services such as mental health care, speech and occupational therapy, and vision care and stop them from achieving their full potential. Without Medicaid, millions of children will be more likely to suffer from bad health, get trapped in a cycle of poverty, and be denied the American dream.

- Nearly Half of American Children Are Enrolled In Medicaid. Approximately 31.5 million children in the United States are enrolled in Medicaid.
- The Children's Uninsured Rate In Medicaid Holdout States Is Double The Rate In Expansion States. In 2021, the child uninsured rate was 8.3 percent in holdout states, compared to 4.6 percent in states that adopted expansion. If holdout states expanded Medicaid, the number of uninsured children would drop by 7.3 percent.
- Research Shows Medicaid Helps Prevent Child Deaths. A 2020 study found that children
 who received health insurance through Medicaid were less likely to die young, more likely to be
 employed in their adult life, and less likely to develop a disability as an adult.
- Medicaid Helps Children Stay Healthy, Leads To Long-Term Benefits When They Grow Up. Medicaid eligibility during childhood lowers the high school dropout rate, raises college enrollment, and increases four-year college attainment. Medicaid for children also has a positive impact on employment opportunities later in life. For each additional year of Medicaid eligibility as a child, adults by age 28 had higher earnings and made \$533 additional cumulative tax payments due to their higher incomes.
- Medicaid Gives Children A Fair Shot At Academic Success. Medicaid's early periodic
 screening diagnostic and treatment benefit gives children under 21 years old access to
 comprehensive and preventive health services, such as yearly physicals, hearing, vision, and dental
 screenings, and physical, mental, and developmental disability treatments. The benefit also helps
 students gain access to medical supplies, such as hearing aids, glasses, and assistive technology, to
 help them succeed in school.

America's Skyrocketing Mental Health Crisis Will Be Exacerbated.

Medicaid is the single largest payer for mental health services in America, serving <u>26 percent</u> of all adults living with a serious mental health condition. Expanding Medicaid services, such as <u>behavioral health benefits</u>, has led to improved access and <u>better outcomes</u> for working class individuals. Simply having access to Medicaid has shown in some studies to reduce depression rates by over <u>3 percent</u> among those with chronic health conditions. Medicaid covers <u>45 percent</u> of non-elderly adults with disabilities, including adults with physical disabilities, developmental disabilities, and brain injuries.

Nationally, around 12 percent of Medicaid enrollees over 18 have some kind of substance use disorder (SUD) and Medicaid is crucial to building a system of comprehensive substance use disorder treatment. These interventions have been vital and life-saving, with one study finding that around 10,000 lives were saved from fatal opioid overdoses as a direct result of Medicaid expansion alone. Republican plans could leave many of these people and their families with little support and even no health coverage at all.

- Medicaid Provides Better Access To Mental Health Care. In a groundbreaking working paper from George Washington University Milken Institute School of Public Health, researchers found that Medicaid enrollees had a higher utilization of mental health services than those who were uninsured or had private insurance. They also found that continuous eligibility during the COVID-19 pandemic improved mental health care access dramatically, especially with Black and Latino Medicaid enrollees.
- Medicaid Increases Access To Care For Millions Of Americans. Medicaid covers vital
 inpatient and outpatient care as well as medications over 13.9 million Americans rely on. Simply
 expanding Medicaid led to a 31 percent increase in Medicaid-funded admissions into mental
 health treatment facilities, a 63 percent increase in Medicaid-reimbursed prescriptions for
 depression and anxiety, and a 40 percent increase in opioid use disorder treatment drugs postexpansion.
- Medicaid Is And Remains The Leader When It Comes To Funding Quality Substance Use Disorder Treatment. Nationally, Medicaid invests around \$12 billion annually into substance use disorder treatment and is the primary government program on the front lines of the opioid epidemic. After expanding Medicaid in 2014, Kentucky saw a 700 percent increase in enrollees using SUD treatment services and across the board expanding Medicaid has seen medication-assisted treatment increase by 50 percent. The uninsurance rate for those experiencing opioid-related hospitalizations also fell by 78.4 percent in states after they adopted Medicaid expansion.
- Medicaid Saves The Lives Of Formerly Incarcerated People From Deaths Of Despair.

 Around 70 percent of individuals in U.S. jails and prisons have at least one diagnosed mental illness or substance use disorder. After leaving prison, many formerly incarcerated Americans are left alone without access to mental health care. In a study comparing expanded Medicaid to non-expanded Medicaid states, it was found that Medicaid plays a central role in the well-being and care of formerly incarcerated Americans seeking to reenter society and the workforce. The accumulated mortality rate of drug and opioid overdoses as well as violence fell by over 66 percent due to the implementation of Medicaid expansion.

Republicans Will Rip Away Care From Moms, Exacerbating The Nation's Maternal

Health Crisis.

The United States has the highest rate of <u>maternal deaths</u> of any high-income country and instead of addressing the crisis, Republicans want to cut funding for the program that provides the care for over <u>40 percent</u> of births. Thanks to Medicaid, hundreds of thousands of pregnant women across the country receive prenatal visits, ultrasounds, and screenings for conditions such as preeclampsia, gestational diabetes, and postpartum depression. Democrats in Congress also passed legislation enabling states to extend postpartum Medicaid coverage from six weeks to one year, giving comprehensive coverage in the critical year after birth to moms in <u>49 states</u>. Republicans want to roll back recent progress by gutting Medicaid, which will lead to the lives of more American mothers needlessly being lost.

- Almost Half Of Births Are Covered By Medicaid. Medicaid covers 41 percent of births in
 the United States and the majority of births in several Republican-controlled states including
 Louisiana, Mississippi, and Oklahoma. Medicaid helped pay for 1.5 million births in 2023 but
 Republicans want to drastically reduce funding.
- Medicaid Expansion Is Associated With Better Maternal Health Outcomes. States that
 expanded Medicaid had an average of a 17 percent decrease in postpartum hospitalizations
 and experienced lower maternal mortality rates than states that did not expand Medicaid.
 Republicans are fighting to gut funding for Medicaid expansion, putting the lives of American
 moms at risk for tax breaks for the wealthy.
- Medicaid Is Critical For The Women Who Are Most At Risk For Complications. Medicaid
 provides screening for conditions such as preeclampsia, gestational diabetes, and diseases that
 greatly increase the chance of severe complications during delivery. In 2021, 43,600 women with
 these conditions received the care they needed through Medicaid.
- Medicaid Is Crucial For Moms Navigating Postpartum. Under Democrats' American Rescue Plan, states were given the option to extend coverage to new mothers for one year postpartum 49 states, both red and blue, took advantage of it. With one in three pregnancy-related deaths occurring between six weeks and one year after birth, this extension is a vital policy in fighting the growing maternal mortality rate in the United States but funding will be at risk with GOP cuts.
- Medicaid Is A Lifeline For Moms In Black, Latina, and Rural Communities. In 2021,
 Medicaid provided maternity care to 64 percent of Black mothers and 58 percent of Latina
 mothers. Medicaid also pays for a greater share of births in <u>rural areas</u> than any other source of
 coverage.
- Without Medicaid Funding, More Birthing Hospitals Will Be Forced To Close. Rural hospitals rely on Medicaid funding to keep their doors open. GOP-proposed per capita caps and

block grants will greatly cut federal funding and force states to cut back on how much they pay hospitals, putting moms at risk of losing access to care.

Rural Hospitals And The Americans Who Rely On Them Will Be Left Behind.

About one in five – <u>66.3 million</u> - Americans reside in rural areas across the United States and around one in five of those Americans – <u>over 12 million</u> – are enrolled in Medicaid. Medicaid is a vital source of coverage for people across rural America, who are more likely to lack insurance, experience negative health outcomes, and have more <u>barriers</u> to accessing care. Medicaid is critical to health coverage in rural communities, which generally have lower rates of employer-sponsored coverage than other areas. Around <u>47 percent</u> of children and <u>18 percent</u> of adults in rural America have health coverage through Medicaid. Medicaid has built a foundation for rural resilience and remains vital for the growth and prosperity of rural families and their communities.

- Millions Of Rural Americans Depend On Medicaid. Over <u>12 million</u> people on Medicaid reside in rural communities across the country.
- Medicaid Keeps Rural Hospitals Open, Republicans Want Them Closed. From 2010 to 2022, over 130 rural hospitals have closed. Since 2020 alone, 36 rural hospitals have closed and as of 2024 over 700 rural hospitals were found to be at risk of closing in the near future, almost all of which were within non-expansion states. A 2016 analysis identified 673 rural hospitals at risk of closing and estimated that if those hospitals shut down, 99,000 health care jobs in rural communities would be lost. In Medicaid expansion states though, rural hospitals are 62 percent less likely to close.
- Medicaid Helps To Maintain And Strengthen Rural Economies. Hospitals employ 10 percent
 of all employees in rural counties that report having any hospital employment. When rural
 hospitals close, communities can lose a staggering number of jobs, both within and outside of the
 health care sector. The closure of one rural hospital can eliminate 220 jobs immediately.
- Rural Americans Are Increasingly Isolated From Quality And Affordable Care. A 2023 NICHM study found that around <u>80 percent</u> of rural Americans are medically underserved and that <u>12 percent</u> of rural residents had to drive 60 minutes or more to the nearest hospital. Between 1999 and 2015, the rate of accidental death was almost 50 percent higher in rural areas than in urban areas; the CDC <u>cited the distance</u> between hospital facilities in rural areas.
- Rural States Rely On Medicaid To Provide Affordable Health Care. Uninsurance rates
 in rural America are <u>2 to 3 percentage points</u> higher than in urban areas. States that expanded
 Medicaid experienced a <u>7-point</u> increase in insured rates after the passage of the Affordable Care
 Act.

Appendix A: Rural Hospital Closures by State

The increase in rural hospital closures over the past decade is a national crisis. With over 130 rural hospitals closing between 2010 and 2022, thousands more Americans every year are at risk of having no access to vital medical care. Entering into 2024 has seen even more hospital closures than the previous years, indicating a "startling new phase" of this crisis where half of all rural hospitals are operating at a loss and 20 percent are at risk of closure in the next few years. Rural hospitals have consistently seen higher rates of uncompensated care, especially within states that have refused to expand Medicaid where uncompensated care is nearly 2.5 times higher than in expansion states. Across the board, states that have refused to expand Medicaid have seen worse rural hospital outcomes, more hospital closures, and worse overall care than in states that have expanded Medicaid. This disparity of access to care for rural Americans can be seen at all levels of the rural hospital closure crisis, and studies continue to suggest that expanding Medicaid in all 50 states will be the largest driver in slowing down emergency closures.

Data as of April 2024

State	Hospital Closures Since 2005	Hospitals At Risk of Closing*	Hospitals at Immediate Risk of Closing**	Number of Rural Hospitals Left	Has This State Expanded Medicaid?
Alabama	7	30	23	52	No
Alaska	1	3	2	17	Yes (2015)
Arizona	4	3	1	27	Yes (2014)
Arkansas	2	26	14	49	Yes (2014)
California	9	18	10	56	Yes (2014)
Colorado	0	9	5	42	Yes (2014)
Connecticut	0	2	1	3	Yes (2014)
Delaware	0	0	0	2	Yes (2014)
Florida	8	8	5	21	No
Georgia	9	22	10	68	No
Hawaii	0	8	0	12	Yes (2014)
Idaho	0	7	1	29	Yes (2020)
Illinois	4	12	7	71	Yes (2014)
Indiana	4	5	4	52	Yes (2015)
Iowa	1	28	10	92	Yes (2014)
Kansas	10	57	26	101	No
Kentucky	4	16	6	72	Yes (2014)



Louisiana	2	23	9	52	Yes (2016)
Maine	3	11	7	25	Yes (2019)
Maryland	1	0	0	4	Yes (2014)
Massachusetts	1	2	1	5	Yes (2014)
Michigan	3	16	7	63	Yes (2014)
Minnesota	6	18	7	95	Yes (2014)
Mississippi	6	38	25	73	No
Missouri	10	21	9	56	Yes (2021)
Montana	0	17	5	55	Yes (2016)
Nebraska	2	5	2	72	Yes (2020)
Nevada	2	5	3	13	Yes (2014)
New Hampshire	0	2	0	17	Yes (2014)
New Jersey	1	0	0	0	Yes (2014)
New Mexico	1	7	6	28	Yes (2014)
New York	6	29	23	51	Yes (2014)
North Carolina	12	7	5	53	Yes (2023)
North Dakota	1	12	4	39	Yes (2014)
Ohio	2	6	4	70	Yes (2014)
Oklahoma	8	34	23	79	Yes (2021)
Oregon	0	7	2	32	Yes (2014)
Pennsylvania	6	13	7	41	Yes (2015)
Rhode Island	0	0	0	0	Yes (2014)
South Carolina	4	10	5	25	No
South Dakota	3	9	4	48	Yes (2023)
Tennessee	15	19	17	54	No
Texas	25	77	29	159	No
Utah	0	0	0	21	Yes (2020)
Vermont	0	8	4	13	Yes (2014)
Virginia	2	9	8	30	Yes (2019)
Washington	1	14	2	40	Yes (2014)
West Virginia	5	10	6	28	Yes (2014)
Wisconsin	1	7	1	75	No
Wyoming	0	6	2	25	No

^{*}These hospitals do not have adequate net assets to offset their losses on patient services for more than 6-7 years



^{**}These hospitals do not have adequate net assets to offset their losses on patient services for more than 2-3 years