

Thank you, Chairman Smith, Ranking Member Neal, and Members of the Ways and Means Committee, for the opportunity to testify today on my tax and healthcare priorities for reconciliation. This Congress, the Committee has the chance to deliver significant relief to the American people by extending provisions of the Tax Cuts and Jobs Act, especially the small business tax credits. In addition, I urge the Committee to include the *USA Batteries Act*, deductions for intangible drilling costs, and needed healthcare provisions that will bring stability and ensure access to care, particularly to those in rural communities.

Foremost, the Committee must include extending pro-growth policies that benefit small businesses created by the *Tax Cuts and Jobs Act*. These include the R&D Tax Credit, full Bonus Depreciation, and Small Business Deduction, all of which provide predictability and enable small businesses to thrive. If these provisions sunset, then Congress would have missed an opportunity to provide needed relief to America's main street.

I also encourage the Committee to consider including the *USA Batteries Act* in reconciliation. My bill would repeal a tax on domestic manufacturers that hurts good-paying American jobs and provides an unfair advantage to cheap imports from countries with lax environmental and labor laws. While the United States

leads the world in lead battery production, the Infrastructure, Investment, and Jobs Act reintroduced the Superfund Chemical Tax, which has unfairly advantaged foreign battery manufacturers. This has dramatically increased costs for American manufacturers, forcing them to compete at a disadvantage against foreign producers—many operating under unethical labor conditions—while grappling with economic pressures, supply chain disruptions, and workforce challenges. To level the playing field, I urge the Ways and Means Committee to include the *USA Batteries Act* in reconciliation, eliminating the Superfund Chemical Tax on lead battery inputs. This simple step will lower costs, strengthen American competitiveness, and protect domestic jobs.

In addition to the *USA Batteries Act*, the Committee should restore the tax deductibility for Intangible Drilling Costs. To unleash American energy dominance, the Committee must include the *Promoting Domestic Energy Production Act* in reconciliation. This bill would allow oil and gas companies to factor in Intangible Drilling Costs when calculating taxable income which will lower energy production costs for all Americans.

Along with addressing important tax matters in reconciliation, I would encourage the Committee to include DMEPOS relief and a fix for the physician fee schedule.

We should ensure that durable medical equipment (DME) suppliers can provide their products at an affordable rate. I would encourage the Committee to include Rep. Miller Meek's *DMEPOS Relief Act* in reconciliation. This important piece of legislation would reinstate a blended payment rate for DME products. The DME industry has faced extreme uncertainty because CMS has been unable to restart the Competitive Bidding Program, leaving providers to rely on flawed reimbursement rates. Compounding the issue, a 21% Medicare payment cut went into effect on January 1, 2024, further straining providers and beneficiaries nationwide. These cuts, paired with inflation, workforce challenges, and lack of financial relief, ultimately jeopardize patients' access to affordable medical equipment.

Another area that the Committee must also examine to ensure patient access to health care services is the need to fix the physician fee schedule. As we are all aware, each year CMS decreases the physician fee schedule which leaves most physicians operating at a loss when providing care to Medicare patients. Further, the continued cuts to the fee schedule have resulted in a lack of access to medical services, especially for rural communities. For example, if an anesthesiologist in my district is going to care for a patient getting their gallbladder removed, they are going to be reimbursed \$386.04 by Medicare - but in reality, it costs them \$1124 to provide that service. Think about that. This is unsustainable- and leads to physician

practices closing and Medicare patients searching for quality care. Just like with DME, physicians were cut another 3% by Medicare at the beginning of the year. The Committee must mitigate these continued cuts now or else the access to care crisis facing the nation will only worsen.

Finally, I would be remiss if I did not mention my support for addressing the unfair payment structure in place for Medicare Dependent Hospitals that operate a teaching program. The Committee understands small rural hospitals are lifelines for underserved communities, providing essential care to vulnerable populations. However, those operating teaching programs are unfairly penalized by CMS through reduced reimbursements. For that reason, I encourage the Committee to advance legislation that addresses this disparity by updating the formula CMS uses to calculate hospital-specific rates, ensuring Medicare Dependent Hospitals (MDHs) with teaching programs receive fair and accurate reimbursements.

Thank you for the opportunity to testify before you today, and I look forward to working with the Committee to find a solution to this critically important issue.