



# Action Alert

**Wednesday, September 13, 2017**

## House 'Dear Colleague' Letter Seeks Delay of Medicaid DSH Cuts

***Please urge your Representative to sign on by Sept. 20***

Reps. John Culberson (R-TX), Eliot Engel (D-NY) and Steven Palazzo (R-MS) are asking their colleagues to join them in urging House leadership to take “swift action” to delay for at least two years the Medicaid disproportionate share hospital (DSH) cuts scheduled to take effect Oct. 1.

“Congress has already recognized the dangers posed by cuts to Medicaid DSH payments, and has delayed the cuts on a bipartisan basis,” they note in a letter to Members of the House of Representatives. “We must again work together to keep hospitals’ doors open for our constituents. Please join us in asking Congressional leaders to delay cuts to Medicaid DSH payments for at least two years, or until a more sustainable, permanent solution is reached.” **See the attachment for the full letter.**

The AHA strongly supports delaying the Medicaid DSH cuts, which will go into effect at the end of the month without congressional action. Please ask your Representative to sign on to the bipartisan letter by Wednesday, Sept. 20 at 12 p.m. ET.

**Keep Safety Net Hospitals Open: Ask Leadership to Delay Cuts to Medicaid DSH Payments**

**DEADLINE: Wednesday, September 20<sup>th</sup> at 12PM**

Dear Colleague,

**Please join a bipartisan letter to Congressional leaders requesting a delay to harmful Medicaid Disproportionate Share Hospital (DSH) cuts.**

Medicaid DSH payments are critical to the hospitals that serve our nation's most vulnerable citizens. In treating a disproportionate number of low-income and uninsured patients, these hospitals incur tremendous uncompensated costs. Medicaid DSH payments help to make up for those losses, allowing our communities' hospitals to keep their doors open.

**Hospitals' ability to serve our constituents may be in jeopardy if the scheduled Medicaid DSH cuts are not delayed before October 1.**

Congress has already recognized the dangers posed by cuts to Medicaid DSH payments, and has delayed the cuts on a bipartisan basis. We must again work together to keep hospitals' doors open for our constituents. Please join us in asking Congressional leaders to delay cuts to Medicaid DSH payments for at least two years, or until a more sustainable, permanent solution is reached.

If you would like to sign this letter, or have any questions, please reach out to [Catherine Rowland](#) (Engel), [Alycia Maloney](#) (Culberson) or [Colleen Kennedy](#) (Palazzo).

Thank you for your consideration.

Sincerely,

Eliot L. Engel  
Member of Congress

John A. Culberson  
Member of Congress

Steven M. Palazzo  
Member of Congress

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September XX, 2017

The Honorable Paul D. Ryan  
Speaker

The Honorable Nancy Pelosi  
Democratic Leader

United States House of Representatives  
H-232, The Capitol  
Washington, D.C. 20515

United States House of Representatives  
H-204, The Capitol  
Washington, D.C. 20515

Dear Speaker Ryan and Leader Pelosi,

We write to express our serious concerns regarding the impact of impending cuts to Medicaid Disproportionate Share Hospital (DSH) payments, scheduled to take effect on October 1, 2017. Medicaid DSH payments allow hospitals nationwide to treat our most vulnerable Americans. We urge you to take swift action to delay these harmful cuts for at least two years.

President Ronald Reagan and Congress created Medicaid DSH payments to sustain hospitals that serve a disproportionate number of low-income and uninsured patients. In treating those who have nowhere else to turn, these hospitals incur substantial uncompensated costs. Furthermore, these same hospitals typically operate on very narrow, or even negative, margins. Medicaid DSH payments allow them to continue serving our constituents. Medicaid DSH payments not only support hospitals in cities across the country, these payments are also especially important to rural hospitals, which often face added financial burdens.

Through bipartisan efforts, Congress has repeatedly recognized the importance of Medicaid DSH payments, and passed legislation to delay cuts to the program:

- The Bipartisan Budget Act of 2013 delayed the cuts, scheduled to begin in Fiscal Year (FY) 2014, for two years until FY 2016;
- The Protecting Access to Medicare Act of 2014 delayed the FY 2016 reduction; and
- The Medicare Access and CHIP Reauthorization Act of 2015 (MACRA) delayed the scheduled FY 2017 cuts by one additional year.

Should Congress fail to delay the cuts scheduled to begin on October 1, safety net hospitals will face a financial shortfall of \$2 billion in FY 2018. These cuts will grow to \$8 billion by 2024. Our nation's hospitals cannot sustain losses of this magnitude. Institutions will be forced to shutter, leaving our constituents without a safety net.

We ask that you work swiftly to delay these cuts for at least two fiscal years, through 2020, or until a more sustainable, permanent solution is reached. This delay will ensure that hospitals can keep their doors open and, most importantly, continue to care for the most vulnerable among us.

Thank you for your consideration. We look forward to your response.

Sincerely,

Eliot L. Engel  
Member of Congress

John A. Culberson  
Member of Congress

Steven M. Palazzo  
Member of Congress

CC: The Honorable Kevin McCarthy, House Majority Leader

The Honorable Steny Hoyer, House Minority Whip

The Honorable Mitch McConnell, Senate Majority Leader

The Honorable Charles Schumer, Senate Minority Leader

The Honorable Greg Walden, Chairman, Committee on Energy and Commerce

The Honorable Frank Pallone, Jr., Ranking Member, Committee on Energy and Commerce

The Honorable Orrin Hatch, Chairman, Senate Committee on Finance

The Honorable Ron Wyden, Ranking Member, Senate Committee on Finance