



Draft Letter from Senators to Senate Leadership

The Honorable Bill Frist
Majority Leader
United States Senate
Washington, DC 20510

The Honorable Thomas Daschle
Minority Leader
United States Senate
Washington, DC 20510

Dear Majority Leader Frist and Minority Leader Daschle:

As Congress considers economic stimulus legislation, we believe it is imperative that any package include meaningful fiscal relief for states. Such relief would provide a vital economic stimulus for our nation's economy.

States face the most severe fiscal crisis since World War II, and many already have made tough choices to fill substantial gaps in their current fiscal year budgets. In fiscal year (FY) 2004 alone, states face deficits of \$70 billion to \$85 billion. Federal relief is critical to reversing this alarming trend before it impedes federal efforts to return our nation's economy to growth and stability.

No program has been harder hit by the state budget crisis than Medicaid. States have been forced to cut back on Medicaid services, hurting people who have lost their jobs and health insurance because of the current recession, as well as senior citizens, pregnant women, and disabled and low-income residents who rely on Medicaid for their care. The federal government must provide assistance to help states ensure that these vulnerable groups are not further harmed by the nation's economic downturn.

Further exacerbating the Medicaid crisis is the impact of recent cuts in the disproportionate share hospital (DSH) program. The DSH program helps hospitals care for those people who are most helped by Medicaid and who would be most affected by state Medicaid cutbacks. However, DSH was cut this year by more than \$1 billion, and as a result, DSH allotments will be more than \$13 billion lower over the next 10 years. Restoration of these DSH cuts should be a part of the fiscal relief package for Medicaid.

We urgently ask that any economic stimulus package contain adequate temporary fiscal relief for state Medicaid programs, including eliminating cuts in Medicaid DSH funding, so hospitals can continue to meet the basic needs of Americans. This matter is critical not just to our nation's economic recovery, but also to the health of millions of Americans.

Sincerely,

AMERICA'S HOSPITALS STANDING TOGETHER...

for the Patients and Communities We Serve



Draft Letter from Representatives to House Leadership

The Honorable J. Dennis Hastert
Speaker
U.S. House of Representatives
Washington, DC 20515

The Honorable Nancy Pelosi
Minority Leader
U.S. House of Representatives
Washington, DC 20515

Dear Speaker Hastert and Minority Leader Pelosi:

I am writing to express my strong support for the hospitals in my district, which continue to provide the best possible care to the patients in our community despite difficult challenges and sometimes overwhelming pressures.

One of those pressures is declining reimbursement from insurers and from federal and state governments. The average hospital in America receives about half of its reimbursement from Medicare and/or Medicaid. Yet, nearly 60 percent of hospitals lose money taking care of Medicare patients. And nearly one-third of hospitals are operating in the red overall, with another 30 percent teetering on the edge financially. The availability of high-quality patient care is put at risk every year that the government fails to meet its obligations to provide adequate reimbursement for services provided to Medicare patients.

Despite this, some are suggesting new Medicare payment reductions to hospitals. **I want to assure you that I will not support any legislation that reduces scheduled Medicare reimbursements for hospitals.**

Further, I strongly support legislation, similar to that approved by the House last year, that would improve payments for teaching and rural hospitals, bring all hospitals to the higher of Medicare's base payment amounts, and address the misapplication of the hospital wage index.

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