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September 21, 2005

The Honorable Charles E. Grassley
Chairman
Senate Finance Committee
219 Dirksen Senate Office Building
Washington, DC 20510

Dear Chairman Grassley:

The American Hospital Association (AHA), which represents 4,800 member hospitals and health systems, and 33,000 individual members, applauds the bipartisan and comprehensive approach you are taking to the aftermath of Hurricane Katrina in the “Emergency Health Care Relief Act of 2005.” This legislation is an important first step toward getting assistance to the thousands of people who have been affected by the storm, as well as those who are providing their care.

The bill extends immediate coverage to Hurricane Katrina survivors of limited means, regardless of where they find themselves post-evacuation. We believe it is critical that any health care coverage provided to these survivors must follow them wherever their journey for temporary or permanent housing and work may take them.

The bill also takes a first step toward much-needed assistance for those hospitals that are seeing increases in low-income and uninsured patients as a result of Hurricane Katrina, as well as those hospitals that were forced to close or that experienced dramatic decreases in their ability to provide care. The bill ensures payment for any Medicare co-pays or deductibles Katrina survivors are unable to pay, and helps ensure that those with private health care coverage are able to keep it.

We have several additional comments on the legislation.

Every health care expert agrees that mental health and substance abuse promises to be a key issue in the wake of Katrina. We ask that the Institutions for Mental Diseases exclusion in current Medicaid law be lifted, so that community-based non-public hospitals can provide much-needed inpatient psychiatric care, and the Medicaid programs can reimburse for that care.



The Honorable Charles E. Grassley
September 21, 2005
Page 2

It also will be important to ensure that any asset or income test applied to the new Disaster Medicaid Relief program not exclude people who, because of Katrina, suddenly find themselves without sufficient income or assets to qualify for assistance. Further, while the funds allocated to the Disaster Relief Fund are welcome and appreciated, we are concerned that, given the long-term nature of recovery, the amount may need to be increased to appropriately meet the needs of health care providers in the affected areas.

Finally, we are immensely proud of the courage and caring our hospital colleagues in the Gulf coast states have shown throughout these past few weeks ... often in unimaginable circumstances. We also are very proud to represent all those hospitals that rushed to volunteer staff, beds, equipment and other resources to those in need. As they do every day, hospitals provided hope, care, and compassion to Americans in need. We look forward to working with you, along with the House and the Administration to enact relief for all those affected by Katrina.

Sincerely,

Rick Pollack
Executive Vice President