



**American Hospital
Association**

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September 30, 2013

The Honorable Roger Wicker
United States Senate
555 Dirksen Senate Office Building
Washington, DC 20510

Dear Senator Wicker:

On behalf of our nearly 5,000 member hospitals, health systems and other health care organizations, and our 43,000 individual members, I am writing to support your legislation, S. 1555, the *DSH Reduction Relief Act of 2013*.

The Medicaid and Medicare Disproportionate Share Hospital (DSH) programs have provided vital financial support to hospitals that serve the most vulnerable populations – Medicaid beneficiaries, low-income Medicare beneficiaries, the uninsured and the underinsured – since their inception in the early 1980s. When the *Patient Protection and Affordable Care Act (ACA)* passed in 2010, the legislation was estimated to provide an additional 32 million Americans with health care coverage by 2019, and therefore Congress deemed it appropriate to reduce payments to the DSH programs under the assumption that fewer uninsured individuals would be accessing hospital care. Specifically, the ACA reduces Medicaid DSH payments by \$14.1 billion from fiscal year (FY) 2014 through 2019, and Medicare DSH payments by \$22.1 billion from FY 2014 to 2019.

The Supreme Court's 2012 decision on the ACA and its determination that the federal government could not force states to add additional beneficiaries to their Medicaid programs has negatively impacted projected health insurance expansion, with the Congressional Budget Office recently estimating 25 million Americans will be covered under the ACA – a decline of 7 million insured individuals. In addition, there is uncertainty surrounding the level of coverage that will be obtained through the exchanges.

The *DSH Reduction Relief Act of 2013* will help hospitals and the patients they serve by delaying the Medicaid and Medicare DSH cuts for two years in order to further assess the level of coverage expansion. We appreciate your leadership on this issue and we look forward to working with you to advance your legislation.

Sincerely,

Rick Pollack
Executive Vice President

