

AMERICA'S HOSPITALS AND HEALTH SYSTEMS

February 19, 2019

The Honorable Mitch McConnell
Majority Leader
U.S. Senate

The Honorable Nancy Pelosi
Speaker
U.S. House of Representatives

The Honorable Charles Schumer
Democratic Leader
U.S. Senate

The Honorable Kevin McCarthy
Republican Leader
U.S. House of Representatives

Dear Majority Leader McConnell, Leader Schumer, Speaker Pelosi and Leader McCarthy:

As organizations representing hospitals and health systems from across the country, we are writing to ask you to delay the start of the Medicaid disproportionate share hospital (DSH) cuts, which are scheduled to begin in fiscal year (FY) 2020.

The Medicaid DSH program assists hospitals serving high numbers of Medicaid and uninsured patients. Currently, about half of all hospitals in the United States receive DSH payments to address Medicaid underpayment and uncompensated care, which allow them to provide critical community services such as trauma and burn care, high-risk neonatal care and disaster preparedness resources.

The Affordable Care Act (ACA) reduced payments to the Medicaid DSH program under the assumption that uncompensated care costs would decrease as health care coverage increased. Unfortunately, the coverage rates envisioned under the ACA have not been fully realized, and tens of millions of Americans remain uninsured. In addition, Medicaid underpayment continues to pose ongoing financial challenges for hospitals treating our nation's most vulnerable citizens.

The start of the cuts has been delayed by Congress – in a bipartisan manner – multiple times to date, but the \$4 billion in reductions are now scheduled to begin on Oct. 1, 2019.

Congress recognized the critical nature of fully funding the Medicaid DSH program by delaying the start of the cuts for the past six years. We urge you to once again delay the start of the Medicaid DSH cuts given the vital need for this program.

Sincerely,

America's Essential Hospitals
American Hospital Association
Association of American Medical Colleges
Catholic Health Association of the United States
Children's Hospital Association
Federation of American Hospitals
Premier healthcare alliance
Vizient, Inc.