

April 20, 2023

The Honorable Yvette D. Clarke
Committee on Energy and Commerce
U.S. House of Representatives
Washington, DC 20515

The Honorable Dan Crenshaw
Committee on Energy and Commerce
U.S. House of Representatives
Washington, DC 20515

The Honorable Diana DeGette
Committee on Energy and Commerce
U.S. House of Representatives
Washington, DC 20515

The Honorable Michael C. Burgess
Committee on Energy and Commerce
U.S. House of Representatives
Washington, DC 20515

Dear Representatives Clarke, Crenshaw, DeGette and Burgess:

On behalf of our nearly 5,000 member hospitals, health systems and other health care organizations, our clinician partners — including more than 270,000 affiliated physicians, 2 million nurses and other caregivers — and the 43,000 health care leaders who belong to our professional membership groups, the American Hospital Association (AHA) writes in support of the Supporting Safety Net Hospitals Act (H.R. 2665), bipartisan legislation to delay pending cuts to Medicaid Disproportionate Share Hospital (DSH) payments. If Congress does not act, \$8 billion in cuts will take effect on Oct. 1 of this year and impact low-income patients across the country.

Congress established the Medicaid DSH program to provide financial assistance to hospitals serving a disproportionate number of low-income patients to ensure Medicaid and uninsured patients have access to health care services. These hospitals also provide critical community services, such as trauma and burn care, maternal and child health, high-risk neonatal care and disaster preparedness resources. The patients they serve are among those that need care the most and often experience challenges accessing it, including children, the poor, the disabled and the elderly.

Reductions to the Medicaid DSH program were enacted as part of the Affordable Care Act, with the reasoning that hospitals would have less uncompensated care as health insurance coverage increased. Unfortunately, the projected coverage levels have not been realized and hospitals continue to care for patients for whom they are not receiving payment. The redetermination process that begins on April 1 may also lead to additional individuals becoming uninsured as states decide who remains eligible for the Medicaid program.



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In addition, hospitals are dealing with financial instability due to the long-lasting impact of the COVID-19 pandemic as well as the increased inflationary costs they have incurred for the staffing, supplies, drugs and equipment necessary to be able to serve their communities.

Consequently, the need for the Medicaid DSH payments is still vital for the hospitals that rely on the program. Congress has, with bipartisan support, prevented the cuts from going into effect previously. We appreciate that your legislation will again delay the start of the cuts for an additional two years, to fiscal year 2026, which will allow our hospitals to continue to serve their communities.

Thank you for your efforts to protect the Medicaid DSH program. We look forward to working with you to advance H.R. 2665.

Sincerely,

/s/

Lisa Kidder Hrobsky
Senior Vice President, Advocacy and Political Affairs