

AMERICA'S HOSPITALS AND HEALTH SYSTEMS

September 5, 2025

The Honorable John Thune
Majority Leader
U.S. Senate
Washington, DC 20510

The Honorable Mike Johnson
Speaker
U.S. House of Representatives
Washington, DC 20515

The Honorable Charles E. Schumer
Democratic Leader
U.S. Senate
Washington, DC 20510

The Honorable Hakeem S. Jeffries
Democratic Leader
U.S. House of Representatives
Washington, DC 20515

Dear Majority Leader Thune, Leader Schumer, Speaker Johnson and Leader Jeffries:

On behalf of our nation's hospitals and health systems, we are writing to ask you to address the Medicaid disproportionate share hospital (DSH) program reductions scheduled to begin on Oct. 1, 2025. If Congress does not act, hospitals are facing \$8 billion in cuts that would be detrimental to our facilities and the patients and communities they serve.

The Medicaid DSH program assists hospitals serving disproportionate numbers of low income and uninsured patients. These funds help alleviate both Medicaid underpayment and uncompensated care costs to ensure patients have access to critical services in their community, including trauma care, burn units, maternal care and high-risk neonatal care.

Despite coverage gains in recent years, tens of millions of Americans remain uninsured, a figure projected to grow over the next decade. Given recent legislative changes to the Medicaid program that will have a significant impact on coverage and access to care, we expect Medicaid DSH funds will be an increasingly vital resource to ensure DSH hospitals can continue to provide essential services to their communities. In addition, Medicaid underpayment is an ongoing financial challenge for hospitals serving our nation's most vulnerable citizens, including millions of children. Now is not the time for additional cuts to Medicaid funding, as hospitals face a challenging economic environment.

Congress has consistently delayed the Medicaid DSH reductions to allow hospitals to continue to serve their patients and communities. We urge you to once again address the pending Medicaid DSH program cuts and protect access to care for our nation's most vulnerable patients.

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
National Association for Behavioral Healthcare
Premier Inc.
Vizient, Inc.