

Hospital Group Letter on Medicaid DSH Legislation

Sent to All Members of Congress

April 24, 2003

The undersigned organizations, representing a broad spectrum of the nation's hospital community, are writing to express our strong support for legislation to restore funding to the Medicaid Disproportionate Share Hospital (DSH) program, which funds hospitals that serve large numbers of patients that are uninsured, underinsured, or receive health services through Medicaid. We hope we can count on your support to help protect and strengthen our nation's hospitals.

We urge you to cosponsor and work to ensure passage of the Access to Hospitals Act of 2003 (S. 652/H.R. 328) sponsored by Senators Chafee (R-RI) and Graham (D-FL) and Representatives Whitfield (R-KY) and DeGette (D-CO).

Congress also should increase the federal Medicaid allotment for states with smaller Medicaid DSH programs. The Medicaid Safety Net Hospital Improvement Act of 2003 (S. 204/H.R. 1342), introduced by Senators Bingaman (D-NM) and Enzi (R-WY) and Representatives Wilson (R-NM) and Kleczka (D-WI), represents real progress toward that goal.

The time for action has never been more critical. As you may know, as of October 1, 2002, the Medicaid DSH program was cut due to the expiration of the Medicare, Medicaid, and SCHIP Benefits Improvement and Protection Act (BIPA) of 2000, which froze, for FY 2001 and 2002, funding cuts to the Medicaid DSH state allotments that were part of the Balanced Budget Act of 1997. BIPA also allowed state DSH programs to grow by the Consumer Price Index (CPI) for two years. This reduction in federal allocations for states is devastating to hospitals.

By returning to the funding levels in BIPA 2000, the Access to Hospitals Act would allow safety net hospitals the financing necessary to continue providing adequate access to health care for low-income and indigent patients. The Medicaid Safety Net Hospital Improvement Act would allow small Medicaid DSH programs to grow. As Congress debates the critical issue of coverage and access for the uninsured, action must be taken in the meantime. The fiscal crisis states are experiencing combined with the fiscal challenges hospitals are facing make Medicaid DSH funding more important than ever. The time to restore Medicaid DSH funding is now.

Again, we urge you to cosponsor the Access to Hospitals Act and the Medicaid Safety Net Hospital Improvement Act and look forward to working with you to see that this legislation is enacted.

American Hospital Association
Association of American Medical Colleges
Catholic Health Association of the United States
Federation of American Hospitals
Healthcare Financial Management Association

National Association of Children's Hospitals
National Association of Public Hospitals and Health Systems
National Association of Urban Hospitals
Premier, Inc.
VHA Inc.