

# Hospital Group Letter on Medicaid DSH Provisions in S. 1 and H.R. 1

Sent to Medicare Bill Conferees

July 15, 2003

On behalf of our many hospitals, health care systems, networks and provider members, we are pleased that both the House and Senate passed Medicaid Disproportionate Share Hospital (DSH) payment relief as part of the Medicare Prescription Drug and Modernization Act.

The Medicaid DSH program is critical to the fiscal integrity of the hospitals we represent and to the health care infrastructure that serves all Americans.

For this reason, we strongly urge that the conference agreement include the following:

- The House-passed provision which curtails severe cuts to states' Medicaid DSH allotments, as found in Section 1001;
- The Senate-passed provision for "extremely low-DSH states" which increases their Medicaid DSH allotments to 3 percent of Medicaid spending in FY 2004 and FY 2005, as found in Section 602.

Our nation's safety net hospitals face a confluence of challenges – including a continued rise in the uninsured population that will ultimately affect their ability to serve both insured and uninsured patients. Congress must include both the House-passed provision to curtail severe funding cuts to states' Medicaid DSH allotments and the Senate-passed provision for low-DSH states to ensure that hospitals can continue their mission of providing quality health care for all Americans.

American Hospital Association  
Association of American Medical Colleges  
Catholic Health Association of the United States  
Federation of American Hospitals  
National Association of Children's Hospitals  
National Association of Public Hospitals and Health System