



March 10, 2006

The Honorable Angus King  
Bernstein, Shur, Sawyer & Nelson  
100 Middle Street  
P.O. Box 9729  
Portland, ME 04104

The Honorable Donald Sundquist  
Sundquist Anthony, LLC  
51 Louisiana Ave, NW  
Washington, DC 20001

Dear Governors King and Sundquist:

The American Hospital Association (AHA), the Association of American Medical Colleges (AAMC), the National Association of Children's Hospitals (N.A.C.H.), and the National Association of Public Hospitals and Health Systems (NAPH) represent hospitals that provide care to our nation's most vulnerable people - children, the poor elderly, disabled, and many of the more than 45 million Americans without health insurance. Medicaid is critically important to these institutions and their ability to meet the needs of their communities. AHA, AAMC, N.A.C.H., and NAPH request the opportunity to provide a witness to testify at the Medicaid Commission to present an overview of the complex system of Medicaid funding for hospitals. We believe this background will provide a useful foundation for the Commission's discussion and recommendations related to Medicaid hospital payments.

At the January Commission meeting there was substantial discussion and interest around Medicaid supplemental payments to hospitals, in particular disproportionate share hospital (DSH) payments. AHA, AAMC, N.A.C.H., and NAPH have significant expertise in Medicaid and would welcome the opportunity to have a representative describe the current Medicaid payment system, including DSH and other supplemental payments associated with this program. Our objective would be to help the Commission understand this complex payment system, which we believe will enhance the discussion and recommendations emerging from the group.

We share the Medicaid Commission's goal of ensuring that Medicaid is a vital program, which will continue to serve vulnerable populations well into the future. AHA, AAMC, N.A.C.H., and NAPH would like to be helpful in any way to the Commission to ensure that members have the most complete information possible to make recommendations about the future of this important program.

Please contact Molly Collins Offner of AHA at 202.626.2326, Lynne Davis Boyle of AAMC at 202.828.0526, Shawn F. Gremminger of N.A.C.H. at 703.797.6048, or Ellen Lukens of NAPH at 202.585.0103 with any questions.

Thank you for your consideration.

Sincerely,

American Hospital Association  
Association of American Medical Colleges  
National Association of Children's Hospitals  
National Association of Public Hospitals and Health Systems

cc: Stacie Maass