

June 3, 2019

The Honorable Eliot Engel
U.S. House of Representatives
2426 Rayburn House Office Building
Washington, DC 20515

Dear Congressman Engel:

On behalf of the American Hospital Association's (AHA) nearly 5,000 member hospitals, health systems and other health care organizations, our clinical 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, we are pleased to support H.R. 3022, the Patient Access Protection Act, your legislation to repeal the Medicaid Disproportionate Share Hospital (DSH) reductions.

The Medicaid DSH program was established to provide financial assistance to hospitals serving a disproportionate number of low-income patients to ensure Medicaid and uninsured patients would have access to health care services. These hospitals provide critical care for their communities, including trauma and burn care, neonatal care and disaster response capabilities. The patients they serve are among the most vulnerable citizens, including children, the poor, the disabled and the elderly.

Congress mandated reductions to Medicaid DSH program in the Affordable Care Act (ACA), reasoning that hospitals would have less uncompensated care as health insurance coverage increased. Unfortunately, the projected coverage levels were not realized, and the gains made under the ACA may be reversing. Consequently the need for the Medicaid DSH payments is still vital for the hospitals that rely on the program. Congress has, with bipartisan support, delayed the start of the cuts multiple times in the last six years, but \$4 billion in reductions are scheduled to take effect Oct. 1, 2019. The cuts increase to \$8 billion per year for fiscal years 2021-25.

Your legislation would eliminate the Medicaid DSH cuts and thereby help preserve patient access to their local hospitals. Thank you for your efforts to support the Medicaid DSH program. We look forward to working with you to advance this legislation.

Sincerely,

/s/

Thomas P. Nickels
Executive Vice President

