



December 12, 2017

The Honorable Mitch McConnell
Majority Leader
United States Senate
Washington, D.C. 20510

The Honorable Charles E. Schumer
Minority Leader
United States Senate
Washington, D.C. 20510

The Honorable Paul Ryan
Speaker
United States House of Representatives
Washington, D.C. 20515

The Honorable Nancy Pelosi
Minority Leader
United States House of Representatives
Washington, D.C. 20515

Dear Leader McConnell, Speaker Ryan, Minority Leader Schumer, and Minority Leader Pelosi:

As Congress considers end-of-the-year legislation, the National Association of Urban Hospitals hopes you will address two issues of great importance to the nation's private, non-profit urban safety-net hospitals: the Medicare section 340B prescription drug discount program and Medicaid disproportionate share hospital payments.

First, NAUH asks you to block implementation of a regulation recently adopted by the Centers for Medicare & Medicaid Services (CMS) that will, beginning on January 1, reduce Medicare payments to hospitals for the prescription drugs they dispense on an outpatient basis through the 340B prescription drug discount program by \$1.6 billion. NAUH believes such a drastic cut is inappropriate and unjustified, a major blow against a valuable federal program that helps hospitals put high-cost prescription drugs in the hands of low-income patients who otherwise would be unable to afford them.

We are not alone in our opposition to this major policy change: a bill now before the House, H.R. 3492, would prevent CMS from implementing this damaging regulation. H.R. 3492 is bipartisan legislation, sponsored by Representatives David McKinley (R-WV) and Mike Thompson (D-CA) with the support of 135 co-sponsors (so far). NAUH supports this bill and urges you to work to enact it or include a similar ban on implementation of this regulation in other legislation before the year ends.

NAUH also urges you to delay implementation of Medicaid disproportionate share hospital payments (Medicaid DSH) scheduled to take effect next year. Medicaid DSH cuts were mandated under the Affordable Care Act but Congress, recognizing the importance of Medicaid DSH in helping hospitals located in low-income urban and rural areas, has delayed this requirement's implementation on two occasions. Medicaid DSH provides vital resources to qualified hospitals that serve large numbers of low-income and uninsured patients, ensuring the ability of these hospitals to continue serving patients in need. The loss of Medicaid DSH payments would have serious financial implications for these hospitals and that loss would be felt quickly by both hospitals and the low-income communities they serve. The House recognized this problem earlier this fall when it included a delay in the implementation of Medicaid DSH cuts in the CHIP bill it passed. Now, we hope you will include a delay of this cut in end-of-the-year legislation.





NAUH appreciates your consideration of our requests and welcomes any questions you have about our position on these issues or the value of these programs to urban safety-net hospitals and many other providers that are part of the American health care safety net.

Sincerely,

A handwritten signature in black ink, appearing to read 'Ellen Kugler'.

Ellen Kugler, Esq.
Executive Director

cc: The Honorable Kevin Brady
Chair, Ways and Means Committee

The Honorable Richard Neal
Ranking Member, Ways and Means Committee

