



September 14, 2017

Please Sign Onto the Thompson-McKinley 340B and Engel/Culberson/Palazzo Medicaid DSH Letters

Dear Representative Young:

The National Association of Urban Hospitals respectfully requests that you sign onto two bipartisan letters currently being circulated by your colleagues addressing health care issues with serious implications for urban safety-net hospitals and other safety-net hospitals: the 340B prescription drug discount program and the Medicaid disproportionate share hospital payment program.

340B

The administration has proposed significant cuts of Medicare payments for prescription drugs covered by the section 340B prescription drug discount program. The 340B program was created by Congress to give hospitals that serve especially large numbers of low-income patients additional resources with which to serve such patients. Two of your colleagues, Representatives Mike Thompson (D-CA) and David McKinley (R-WV), are preparing a bipartisan letter to send to Centers for Medicare & Medicaid Services administrator Seema Verma asking her to withdraw this proposal.

The National Association of Urban Hospitals asks you to sign onto this letter because:

- Reducing Medicare payments for 340B-covered drugs will reduce the ability of urban safety-net hospitals and other program participants to provide the additional services and community outreach that savings from the program make possible.
- The payment cut will not save taxpayers any money at all and have no budget impact. The program's savings come from discounts that it requires from pharmaceutical companies. The payment cut will do nothing to reduce the cost of prescription drugs.
- All the 340B cut will do is take the savings it generates away from safety-net providers – savings Congress specifically wanted directed to them when it created the 340B program.

Please sign onto the Thompson-McKinley letter. To do so, contact Casey Badmington in Rep. Thompson's office (casey.badmington@mail.house.gov) or Margie Almanzain Rep. McKinley's office (margie.almanza2@mail.house.gov). Please do so today: this letter closes tomorrow.





Medicaid DSH

The Affordable Care Act calls for reducing Medicaid disproportionate share allotments (Medicaid DSH) to states to reflect decreases in the number of uninsured Americans as a result of improved access to health insurance facilitated by that law. Congress created this program to provide additional resources to hospitals that care for especially large numbers of low-income and uninsured patients and twice Congress has delayed this cut. Now, the administration has proposed implementing the cut in FY 2018.

This cut poses a challenge to urban safety-net hospitals and other safety-net hospitals because so many such providers continue to incur significant uncompensated care costs from serving uninsured patients – the very reason Congress created the Medicaid DSH program in the first place.

Three of your colleagues – Eliot Engel (D-NY), John Culberson (R-TX), and Steve Palazzo (R-MS) – are asking their House colleagues to sign onto their bipartisan letter asking Speaker Ryan and minority leader Pelosi to delay the proposed Medicaid DSH cuts another two years.

NAUH asks you to sign onto this letter because:

- Urban safety-net hospitals continue to provide a great deal of uncompensated care to uninsured patients.
- Such cuts are unsustainable for these hospitals and could force them to reduce services, limit outreach, and possibly even reduce staff.
- Other changes in the health care system in the near future appear more likely to increase rather than decrease how many Americans lack health insurance, thereby making safety-net hospitals' Medicaid DSH funding more important than it has been in years.

Please sign onto the Engel-Culberson-Palazzo letter. You can do so by contacting Catherine Rowland in Rep. Engel's office (catherine.rowland@mail.house.gov), Alycia Maloney in Rep. Culberson's office (alycia.maloney@mail.house.gov), or Colleen Kennedy in Rep. Palazzo's office (colleen.kennedy@mail.house.gov). This letter closes next Wednesday, September 20.

The National Association of Urban Hospitals appreciates your consideration of these requests and invites you to contact us with any questions you may have about the 340B and Medicaid DSH proposals and our positions on them.

Sincerely,

Kate Finkelstein
Deputy Executive Director

