



March 20, 2014

The Honorable Ron Wyden, Chair
Senate Finance Committee
United States Senate
Washington DC 20510

Dear Chairman Wyden:

I am writing on behalf of the National Association of Urban Hospitals to convey our support for your efforts, and those of the Senate Finance Committee, to repeal and replace the Medicare sustainable growth rate formula (SGR). We appreciate how hard you and your colleagues have worked to come to this bipartisan agreement.

NAUH also supports the idea of using overseas contingency operations funds to pay for the SGR repeal. What is most important to the nation's private, non-profit safety-net hospitals is that Congress not use reductions in Medicare payments to hospitals to pay for the SGR repeal because our hospitals have already endured a number of difficult, onerous Medicare payment cuts in recent years.

We will continue to support a proposal for a permanent replacement for the SGR like the one put forward by the Finance Committee and will urge all NAUH members to contact their members of Congress to express their support for this proposal to pay for the replacement with OCO funds. If there is anything else we can do to support this effort, please do not hesitate to contact us.

For the same reason that NAUH opposes using hospital payment cuts to pay for the SGR repeal, we also urge you and the Senate Finance Committee to delay the implementation of Medicare DSH cuts, which started this fiscal year, for two years. This cut, too, is unusually burdensome and is making life even harder for hospitals that form the heart of our country's health care safety net. Late last year Congress acknowledged how burdensome comparable Medicaid DSH cuts were and voted to delay them for two years, and now, we ask that you do the same for Medicare DSH cuts.

Sincerely,

A handwritten signature in black ink, appearing to read "E. Kugler", is written over a light blue horizontal line.

Ellen Kugler, Esq.
Executive Director

