

November 16, 2020

The Honorable Charles Grassley
United States Senate
Washington DC 20510

Dear Senator Grassley:

The National Alliance of Safety-Net Hospitals greatly appreciates everything you and your colleagues in Congress have done to help private safety-net hospitals serve our communities during the current public health emergency. Now, as you work to fund the federal government beyond the expiration of the current continuing resolution on December 11, we hope you will address three important matters that would greatly enhance the ability of private safety-net hospitals to serve their low-income and medically vulnerable communities during these challenging times.

First, we ask you to permanently eliminate future cuts in Medicaid disproportionate share hospital (Medicaid DSH) allocations to the states. Private safety-net hospitals and others like them, serving communities with large numbers of low-income and uninsured residents, have never needed the resources afforded by Medicaid DSH more than they do today. Congress has long questioned the wisdom of this cut and has never permitted it to take effect. The most recent delay expires December 11, and NASH urges you to repeal permanently the Medicaid DSH cut in any spending or COVID-19 legislation you pass this year.

Second, in this year's CARES Act Congress generously established the Provider Relief Fund, which has been a true lifeline for private safety-net hospitals as we grappled with the double-edged sword of serving COVID-19 patients whose care was especially costly while operating with much less revenue because of the decreased demand for non-urgent medical procedures to preserve resources and protect patients and staff. These challenges remain and so does the need to address them, so we hope that any spending or COVID-19 legislation this year includes additional resources for the Provider Relief Fund.

Third, the CARES Act also suspended the two percent Medicare sequestration adopted in the Budget Control Act of 2011. This restoration of resources, too, has greatly helped private safety-net hospitals at a time of great financial vulnerability, and that vulnerability remains as these hospitals continue serving their communities. We ask you to extend your previous suspension of the Medicare sequester in any spending or COVID-19 legislation you adopt between now and year's end.

Private safety-net hospitals have risen to the challenges the COVID-19 crisis has posed. Those challenges continue, and we hope you will act in the coming weeks as you have in the past to give us the resources we need to win this fight for our communities and the front-line workers leading this fight.

Sincerely,

Ellen Kugler
Executive Director

