



**ALLIANCE of
SAFETY-NET
HOSPITALS**

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April 20, 2023

The Honorable Yvette Clarke
United States House of Representatives
Washington DC 20515

Dear Representative Clarke:

The Alliance of Safety-Net Hospitals (ASH) emphatically supports H.R. 2665, the “Supporting Safety-Net Hospitals Act.”

Community safety-net hospitals are the primary providers of care for many uninsured, under-insured, low-income, and Medicare- and Medicaid-dependent residents of the communities in which they are located. These hospitals provide care to disproportionate numbers of low-income and vulnerable patients and they rely heavily on Medicaid disproportionate share hospital payments (Medicaid DSH) for support in providing that care. Because community safety-net hospitals treat such high proportions of government-insured (Medicaid or Medicare) and uninsured patients, Medicaid DSH payments are a vital resource that help close the gap between the cost of providing care to their communities and the inadequate reimbursement they receive from government payers.

Community safety-net hospitals everywhere are reeling from the demands created by the COVID-19 crisis and from continued sky-rocketing increases in operating costs. Beginning in 2024, the Medicaid DSH program will be subject to an \$8 billion reduction every year through 2027. Hospitals that treat disproportionate levels of Medicaid patients often operate with extremely slim margins and have very few resources in reserves, so any cuts to the Medicaid program challenge their ability to continue serving their communities. An \$8 billion cut to this essential program will dramatically jeopardize access to health care in vulnerable communities across the country.

H.R. 2665, the “Supporting Safety-Net Hospitals Act,” will delay these potentially devastating Medicaid DSH cuts until 2026. ASH believes this delay is necessary to protect the health of the communities our hospitals serve.

We deeply appreciate your leadership on this issue and look forward to working with you for final passage of this bill.

Sincerely,

Kate Finkelstein
Legislative Affairs