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November 8, 2023

The Honorable Mike Johnson Speaker United States House of Representatives Washington DC 20515

The Honorable Hakeem Jeffries
Democratic Leader
United States House of Representatives
Washington DC 20515

The Honorable Charles E. Schumer Leader United States Senate Washington DC 20510

The Honorable Mitch McConnell Republican Leader United States Senate Washington DC 20510

Please Delay Medicaid DSH Cuts for Two Years in the Next Continuing Resolution

Dear Speaker Johnson, Leader Schumer, Democratic Leader Jeffries, and Republican Leader McConnell:

I am writing on behalf of the Alliance of Safety-Net Hospitals (ASH) to thank you for delaying the scheduled cuts in Medicaid disproportionate share hospital payments (Medicaid DSH) in the current Continuing Resolution and to ask you to include in the next Continuing Resolution a provision that delays those cuts for two full years.

Medicaid DSH is a vital tool for helping safety-net hospitals care for the residents of the generally low-income communities they serve. These community safety-net hospitals are the primary providers of care for many uninsured, under-insured, low-income, and Medicare- and Medicaid-dependent Americans, and these hospitals rely heavily on Medicaid DSH for support in providing that care. Medicaid DSH payments are essential for their survival.

These cuts – \$8 billion a year for four years – have long been scheduled to begin but Congress has never permitted them to take effect because it has long recognized the important role Medicaid DSH plays in ensuring access to care in low-income communities across the country. They were scheduled to take effect in October but the current Continuing Resolution again delayed their implementation.

The prospect of these cuts has been looming over safety-net hospitals across America for several years and the possibility that they would take effect has made it difficult for safety-net hospitals to plan effectively and

make certain their ability to serve their communities as they long have. For this reason, ASH requests such certainty and the stability it would bring: a firm, two-year delay of scheduled Medicaid DSH cuts in the next Continuing Resolution.

ASH and safety-net hospitals across the country greatly appreciate Congress's continued recognition of the special role we play in the lives of our communities, the importance of Medicaid DSH in enabling us to play that role, and your support for several delays in the implementation of scheduled Medicaid DSH cuts. Now, we respectfully request that you show your support for community safety-net hospitals once again by including a two-year delay of those cuts in the next Continuing Resolution.

We appreciate your consideration of this request and welcome any questions you may have about Medicaid DSH, its importance to community safety-net hospitals and the communities those hospitals serve, or our request for a two-year delay in this latest scheduled cut.

Sincerely,

Ellen J. Kugler Director

Cc: United States House of Representatives

United States Senate

