

Congress of the United States
Washington, DC 20515

**Keep Safety Net Hospitals Open, Ask Leadership to Delay Cuts to
Medicaid DSH Payments**

Dear Colleague,

Please join a bipartisan letter to Congressional leaders requesting a delay to harmful Medicaid Disproportionate Share Hospital (DSH) cuts.

Medicaid DSH payments are critical to the hospitals that serve our nation's most vulnerable citizens. In treating a disproportionate number of low-income and uninsured patients, these hospitals incur tremendous uncompensated costs. Medicaid DSH payments help to make up for those losses, allowing our communities' hospitals to keep their doors open.

Hospitals' ability to serve our constituents may be in jeopardy if the scheduled Medicaid DSH cuts are not delayed before October 1.

Congress has already recognized the dangers posed by cuts to Medicaid DSH payments, and has delayed the cuts on a bipartisan basis. We must again work together to keep hospitals' doors open for our constituents. Please join us in asking Congressional leaders to delay cuts to Medicaid DSH payments for at least two years, or until a more sustainable, permanent solution is reached.

If you would like to sign this letter or have any questions, please reach out to Sahil Chaudhary (S.Chaudhary@mail.house.gov) with Congressman Engel's staff or Kevin Hartley (Kevin.Hartley@mail.house.gov) with Congressman Olson's staff. **The deadline for signatures is May 3 at 5PM.**

Thank you for your consideration.

Sincerely,



Eliot L. Engel
Member of Congress



Pete Olson
Member of Congress

The Honorable Nancy Pelosi
Speaker of the House
U.S. House of Representatives
Washington, D.C. 20515

The Honorable Kevin McCarthy
Republican Leader
U.S. House of Representatives
Washington, D.C. 20515

Dear Speaker Pelosi and Leader McCarthy:

We write to express our concern regarding the impact of impending cuts to Medicaid Disproportionate Share Hospital (DSH) payments, scheduled to take effect on October 1, 2019. Medicaid DSH payments allow hospitals nationwide to treat our most vulnerable Americans. We urge you to take action to delay these cuts for at least two years.

In 1985, President Ronald Reagan and Congress created Medicaid DSH payments to sustain hospitals that serve a disproportionate number of low-income and uninsured patients. In treating those who have nowhere else to turn, these hospitals incur uncompensated costs. Furthermore, these same hospitals typically operate on very narrow, or even negative, margins. Medicaid DSH payments allow them to continue serving our constituents and communities. Medicaid DSH payments not only support hospitals in cities across the country, these payments are also especially important to rural hospitals, which often face added financial burdens.

Since 2013, Congress has recognized the importance of Medicaid DSH payments by delaying cuts to the program four different times, most recently The Bipartisan Budget Act of 2018 delayed the start of the reductions until FY 2020.

Should Congress fail to delay the cuts scheduled to begin on October 1, safety net hospitals will face a financial shortfall of \$4 billion in FY 2020. These cuts will grow to \$8 billion in FY 2021.

Our nation's hospitals cannot sustain losses of this magnitude. Institutions will be forced to shutter, leaving our constituents and communities without a vital safeguard.

Until a more sustainable, permanent solution is reached, we ask that you work to delay these cuts for at least two fiscal years. This delay will ensure that hospitals can continue to care for the most vulnerable in our communities.

Thank you for your consideration. We look forward to your response.