

July 10, 2013

The Honorable Mike Doyle
U.S. House of Representatives
Washington, DC 20515

Dear Representative Doyle:

The Safety-Net Association of Pennsylvania (SNAP) urges you to support H.R. 1920, the DSH Reduction Relief Act of 2013.

The Affordable Care Act calls for major cuts in hospitals' Medicare disproportionate share (Medicare DSH) and Medicaid DSH payments beginning in FY 2014. H.R. 1920, the DSH Reduction Relief Act of 2013, calls for delaying the implementation of these cuts for two years – until FY 2016.

SNAP enthusiastically supports this legislation. Medicare DSH and Medicaid DSH are vital tools for ensuring the ability of Pennsylvania's private safety-net hospitals to serve their low-income communities. Reducing these payments is based on the assumption that hospitals like ours will not need as much DSH funding once more people are insured through Medicaid expansion and improved access to insurance through new health insurance exchanges.

These DSH cuts are scheduled to begin, however, before the Affordable Care Act's Medicaid and insurance expansion provisions can even begin to have an effect; as you know, moreover, there currently is no plan to expand Medicaid eligibility in Pennsylvania. In addition, the administration recently announced a one-year delay in the reform law's employer health insurance mandate. Together, Medicare DSH and Medicaid DSH cuts will amount to millions of dollars worth of reductions in payments that safety-net hospitals like ours need to serve their communities, and they would be coming at a time of great ambiguity as implementation of this aspect of the Affordable Care Act gets under way.

Pennsylvania's private safety-net hospitals, the primary providers of health care services to uninsured, low-income, and low-income elderly Pennsylvanians, simply cannot afford these cuts at this time. SNAP believes that delaying them for two years, until we all have a clearer sense of the degree to which the Affordable Care Act has affected access to health insurance, makes good policy sense. Consequently, we strongly encourage you to support H.R. 1920, the DSH Reduction Relief Act of 2013, when it comes before Congress for a vote.

If you have any questions about SNAP's position on this bill, please contact Michael Chirieleison, SNAP's president, in Harrisburg at 717-234-6970.

Sincerely,

Kate Finkelstein
Federal Legislative Director

