



December 26, 2012

## **Protect Pennsylvania's Medicaid Provider Fees**

Dear Representative:

As you and your colleagues continue to pursue solutions to the fiscal cliff challenge and a Medicare SGR patch, the Safety-Net Association of Pennsylvania urges you to protect our state's ability to levy an assessment on providers to help fund the commonwealth's Medicaid program.

For years, Pennsylvania's Medicaid program suffered from significant underfunding that caused serious financial harm to many hospitals and helped push some to close or curtail some vital services. The state's hospital industry voluntarily agreed to provider fees, and the resulting revenue has made a major difference in ensuring the ability of the state's hospitals, and especially its safety-net hospitals, to continue serving their many Medicaid patients.

These proceeds are especially important to the state's safety-net hospitals. In a state with no public hospitals, safety-net hospitals are often the providers of last resort for low-income and uninsured Pennsylvanians who have few or no health care alternatives. The loss of the proceeds of the state's provider assessments would be devastating and could signal a return to the past – a time when hospitals curtailed or eliminated services, cut good-paying, family- and community-sustaining jobs, and teetered on the brink of insolvency.

The Safety-Net Association of Pennsylvania recognizes the extent of the challenge you face in attempting to find ways to address the fiscal cliff and Medicare SGR patch problems and the need to pay for any solutions you develop. Limiting Pennsylvania's ability to levy assessments on hospitals, however, would only create another, even greater problem for many Pennsylvanians – and especially for the safety-net hospitals on which so many of those Pennsylvanians depend.

We ask you to protect the ability of Pennsylvania to use provider fees to help finance its Medicaid programs and to urge your caucus leaders to do the same. The two million residents of our state who depend on that program are counting on you.

Sincerely,

Kate Finkelstein  
Federal Legislative Director

