



Please Support Delay of Medicaid DSH Cuts in Upcoming Budget Deliberations

October 3, 2019

Dear Representative/Senator _____:

The Safety-Net Association of Pennsylvania asks you to support the inclusion of a two-year delay of Medicaid disproportionate share (Medicaid DSH) cuts when you vote on a new federal budget. A temporary delay of these cuts was included in the recently passed Continuing Resolution and there is widespread support for extending this delay for a full two years when Congress addresses a new federal budget as the Continuing Resolution's November 21 expiration approaches.

Medicaid DSH payments are of vital importance to Pennsylvania's safety-net hospitals. These payments are made to hospitals that care for especially large numbers of uninsured patients, and despite the decline in the number of uninsured people in recent years, 700,000 Pennsylvanians remain uninsured today. When they are sick or injured, most of those uninsured people will turn to the state's 41 private safety-net hospitals for care. Our safety-net hospitals, in turn, depend heavily on their Medicaid DSH payments to underwrite the cost of this care for our uninsured patients.

A provision in the Affordable Care Act calls for reducing Medicaid DSH allotments to the states, doing so in anticipation of a significant decrease in the number of uninsured people. While the number of uninsured people has declined, millions of Americans remain uninsured and last year the number of uninsured rose for the first time since the Affordable Care Act was implemented. Several times now Congress has delayed this Medicaid DSH cut for two years because the uninsured rate had not yet fallen enough to justify this cut, and the conditions that led to those delays remain today.

Should the Medicaid DSH cut take effect, ***Pennsylvania would lose 40 percent of its federal Medicaid DSH allotment in FY 2020 and 80 percent of its allotment each year from FY 2021 to FY 2025.*** Such devastating cuts could jeopardize access to care for the state's uninsured and jeopardize the ability of the state's safety-net hospitals to serve them. It is essential, for the sake of Pennsylvania's health care safety net and the communities and patients that safety net serves, that the Medicaid DSH cut continue to be delayed.

SNAP asks you to urge your caucus leaders to ensure that the budget they send to the floor of Congress includes another two-year delay in Medicaid DSH allotment cuts to the states. The uninsured of Pennsylvania, and the safety-net hospitals that care for them, are counting on it.

Sincerely,

Kate Finkelstein

