



## Please Sign Onto the Engel-Olson Letter to Delay Medicaid DSH Cuts

April 24, 2019

Dear Representative Evans:

An Affordable Care Act-mandated cut in Medicaid disproportionate share (DSH) allotments to states is scheduled to begin in October. If implemented, this cut would hurt 179 of the 213 hospitals in Pennsylvania. Bipartisan efforts in Congress have delayed this cut three times in recent years, and SNAP is writing to ask you to join a new effort in the House to delay it once again.

Medicaid DSH has long provided resources that help hospitals pay for the care they provide to their low-income and uninsured patients and has always been a vital resource for the safety-net hospitals and others that play the biggest role in caring for such patients. Today, 84 percent of all Pennsylvania hospitals receive Medicaid DSH payments, including hospitals in your district and including all safety-net hospitals.

While the Affordable Care Act called for reducing Medicaid DSH allotments to the states based on the assumption that hospitals would not need as much Medicaid DSH money because so many more people would become insured under that law, millions of Americans remain uninsured today, including nearly 700,000 in our state – more than the combined population of Allentown, Erie, Reading, Scranton, Bethlehem, Lancaster, Harrisburg, Altoona, and York – and the number of uninsured people has actually risen nationally in the past two years. As a result, Pennsylvania hospitals that qualify for Medicaid DSH continue to care for many low-income and uninsured patients for whom they receive little or no compensation and Medicaid DSH therefore remains a vital part of their ability to care for such patients when they seek care. In 2017 – the most recent year for which such data is available – Pennsylvania hospitals provided more than three quarters of a billion dollars worth of uncompensated care. Medicaid DSH payments help cushion this loss, but the coming cut would make that cushion less effective.

Those cuts are considerable, too: a \$4 billion reduction in Medicaid DSH allotments to the states starting in FY 2020, rising to \$8 billion for each of the following five years. We estimate that this would translate into a cut of approximately \$240 million for Pennsylvania in FY 2020 and \$480 million a year for FY 2021 through FY 2025.

Two of your colleagues – Eliot Engel (D-CA) and Pete Olson (R-TX) – are asking their House colleagues to sign onto a bipartisan letter to House Speaker Nancy Pelosi and minority leader Kevin McCarthy asking them to delay the Medicaid DSH cut again for another two years. We request that you sign onto this letter. You can do so by contacting Sahil Chaudhary in Rep. Engel's office ([s.chaudhary@mail.house.gov](mailto:s.chaudhary@mail.house.gov)) or Kevin Hartley in Rep. Olson's office ([kevin.hartley@mail.house.gov](mailto:kevin.hartley@mail.house.gov)). The deadline for signing onto the letter is May 3.

We appreciate your attention to this request and welcome any questions you may have about why Medicaid DSH is so important to Pennsylvania hospitals and how those hospitals use the resources this program provides to serve their communities.

Sincerely,  
Kate Finkelstein