



A Passionate Voice for Compassionate Care

May 16, 2013

U.S. House of Representatives
Washington, DC 20515

Dear Representative:

On behalf of the Catholic Health Association of the United States (CHA), the national leadership organization of more than 2,000 Catholic health care systems, hospitals, long-term care facilities, sponsors, and related organizations, **I am writing to express our strong support for the Disproportionate Share Hospital (DSH) Reduction Relief Act of 2013, H.R. 1920, sponsored by Representative John Lewis, and to ask for your support by co-sponsoring the legislation.** H.R. 1920 would eliminate the 2014 and 2015 Medicaid DSH cuts and delay Medicare DSH cuts contained in the Patient Protection and Affordable Care Act (ACA) for two years, until 2016.

The Medicaid & Medicare DSH programs are our nation's primary source of support for safety-net hospitals that serve the most vulnerable populations – Medicaid beneficiaries, low-income Medicare beneficiaries, the uninsured and the underinsured. DSH payments partially compensate hospitals for costs resulting from providing uncompensated care and many hospitals rely on Medicaid DSH payments to be able to keep their doors open. These funds also help support essential community services such as trauma and burn care; pediatric intensive care; high-risk neonatal care; and emergency psychiatric services, critical services that are not financially self-sustaining.

DSH funding reductions were included in the ACA because the law was designed to significantly reduce the number of uninsured in the U.S., which in turn would reduce hospital uncompensated care costs. Since the Supreme Court ruling made the State Medicaid expansion optional, it is now unclear how many low-income uninsured individuals will gain access to coverage in 2014. It is, therefore, critical to postpone the DSH funding reductions for at least two years until we know the full impact of state Medicaid expansion decisions on the number of uninsured, the enrollment of uninsured in private health insurance coverage through Exchanges, and the resulting level of reductions in hospital uncompensated care.

We strongly recommend that Congress delay funding reductions in DSH programs until coverage expansions are fully implemented and significant reductions in the amount and volume of charity care and bad debt have been documented.

Sincerely,

A handwritten signature in black ink that reads "Sr. Carol Keehan". The signature is written in a cursive, flowing style.

Sr. Carol Keehan, DC
President and CEO