



April 28, 2014

The Honorable Kathleen Sebelius
Secretary
Department of Health and Human Services
200 Independence Ave., S.W.
Room 445-G
Washington, DC 20201

Dear Secretary Sebelius:

On behalf of the American Hospital Association's (AHA) nearly 5,000 member hospitals, health systems and other health care organizations, and the Catholic Health Association of the United States' (CHA) more than 600 member hospitals and 1,400 long-term care and other health facilities, we request that the Secretary issue a written statement on behalf of the entire department (as in your October 30, 2013 letter to Rep. McDermott) confirming that the Department of Health and Human Services (HHS) is *not* discouraging hospital-affiliated or other charitable foundations from subsidizing premiums purchased through the new Health Insurance Marketplaces (exchanges) or cost-sharing expenses for needy enrollees. The AHA and CHA have been supportive of the Affordable Care Act (ACA) and its implementation. As you know, our members have been actively engaged in efforts to assist individuals in their communities as they look to obtain coverage through the exchanges. They have recognized that an individual's share of the costs of coverage may be an impediment, even with a federal subsidy, and that in states that have declined to expand the Medicaid program, many individuals will need private assistance to obtain health insurance.

We are aware of the guidance the Centers for Medicare & Medicaid Services issued in its February 7, 2014 Q&A clarifying that it was not discouraging such subsidies from charitable foundations. Unfortunately, the Interim Final Rule issued on March 14 has created uncertainty regarding HHS's official position because it did not include the February 7 Q&A's statement regarding premium and cost sharing payments from charitable foundations. While the rule formalized HHS's support for subsidies from the Ryan White HIV/AIDS program and certain others, it made no mention of charitable foundations. Although HHS staff has told us that the rule did not represent a change in HHS's position, our members and their legal advisors need an authoritative statement on which they can rely.

The AHA, CHA and our members will continue to work to enable as many Americans as possible to obtain health care coverage, especially those who have no other means of coverage and have limited financial resources. The uncertainty created by HHS's actions is limiting our

The Honorable Kathleen Sebelius

April 28, 2014

Page Two

ability to do so to the detriment of many Americans who would benefit greatly from services made possible with insurance coverage.

We request that you expeditiously issue a public statement confirming the department's support for hospital-affiliated and other charitable foundations providing subsidies for the purchase of premiums and cost sharing expenses for needy individuals.

Sincerely,

Rich Umbdenstock
President and CEO
American Hospital Association

Sister Carol Keehan
President and CEO
Catholic Health Association of the United States