America's Hospitals and Health Systems

September 12, 2017

The Honorable Orrin Hatch  
Chair  
Committee on Finance  
United States Senate  
104 Hart Office Building  
Washington, DC 20510

The Honorable Greg Walden  
Chair  
Committee on Energy and Commerce  
United States House of Representatives  
2185 Rayburn House Office Building  
Washington, DC 20515

The Honorable Ron Wyden  
Ranking Member  
Committee on Finance  
United States Senate  
221 Dirksen Office Building  
Washington, DC 20510

The Honorable Frank Pallone  
Ranking Member  
Committee on Energy and Commerce  
United States House of Representatives  
237 Cannon House Office Building  
Washington, DC 20515

Dear Chairmen Hatch and Walden, Sen. Wyden, and Rep. Pallone:

We, the 89 leaders of the more than 234 undersigned hospitals and health systems, write to urge you to stop cuts to Medicaid disproportionate share hospital (DSH) payments.

The Medicaid DSH program was created in 1981 to help safety net and essential hospitals provide care to patients who are uninsured, low-income, disadvantaged, or Medicaid beneficiaries. Nationwide, hospitals provide more than $35 billion in uncompensated care each year; Medicaid DSH is a vital source of funding that offsets a portion of that cost. Not only does Medicaid DSH ensure access to care for millions of people, it enables our hospitals to provide essential services to our communities, including top-level trauma, burn, and neonatal intensive care.

Medicaid DSH reductions called for under the Affordable Care Act (ACA) are slated to take effect on Oct. 1. These cuts would be detrimental to America’s health care safety net and would significantly reduce our hospitals’ ability to provide essential services to the communities you represent. The far-reaching effects would limit your constituents’ access to care and hurt our local economies, including by eliminating jobs.

In bipartisan fashion, Congress repeatedly has recognized that cuts to Medicaid DSH payments pose serious threats to vulnerable patients and the hospitals that treat them. In legislation passed by overwhelming majorities, the cuts have been delayed three times:

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• the Bipartisan Budget Act of 2013 delayed the cuts for fiscal years (FYs) 2014 and 2015;
• the Protecting Access to Medicare Act of 2014 delayed the cuts for FY 2016; and
• the Medicare Access and CHIP Reauthorization Act of 2015 delayed the scheduled FY 2017 cuts by one additional year.

Under the ACA, Medicaid DSH payments will be cut by $2 billion in FY 2018, with reductions increasing by $1 billion annually through 2024, ending with a final $8 billion cut. We urge you to collaborate and work swiftly to stop the cuts scheduled to begin on Oct. 1 and delay the onset of such reductions by at least two years.

Given the high levels of uncompensated care across the country—both in states that have expanded their Medicaid programs under the ACA and those that have not—Medicaid DSH cuts simply cannot be justified. In a time of substantial instability within the health care system, it is imperative that Congress continue the delay of Medicaid DSH cuts. Our hospitals need financial certainty to continue providing needed services to our disproportionately disadvantaged patients.

Sincerely,

Bruce Siegel, MD, MPH
President and CEO
America’s Essential Hospitals

Signatories

Alabama

Terry Andrus, President and CEO
East Alabama Medical Center
   East Alabama Medical Center-Lanier

Will Ferniany, Ph.D, CEO
UAB Health System
   Baptist Health South
   Baptist Health East
   Baptist Health Pratville
   Medical West
   Callahan Eye Hospital
   UAB Hospital

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Arkansas

Gary L Bebow, FACHE, CEO
White River Health System
    White River Medical Center
    Stone County Medical Center

Arizona

Stephen A. Purves, FACHE, President and CEO
Maricopa Integrated Health System

Robert P. Thames, FACHE, FHFMA, President and CEO
Northern Arizona Healthcare
    Flagstaff Medical Center
    Verde Valley Medical Center

Richard Turnage, M.D., CEO
University of Arkansas for Medical Sciences

California

Delvecchio S. Finley, M.P.P., CEO
Alameda Health System
    Alameda Hospital
    Fairmont Hospital
    Highland Hospital
    John George Psychiatric Hospital
    San Leandro Hospital

Anna M. Roth, RN, MSN, MPH, CEO
Contra Costa Regional Medical Center and Health Centers

Russell Judd, CEO
Kern County Hospital Authority

Paul E. Lorenz, CEO
Santa Clara Valley Medical Center

Mitchell H. Katz, M.D., Director
Los Angeles County Health Agency
    Harbor-UCLA Medical Center
    LAC+USC Medical Center
    Olive View-UCLA Medical Center
    Rancho Los Amigos National Rehabilitation Center

(Continued)
Gary R. Gray, D.O., C.E.O.
Natividad Medical Center

Susan P. Ehrlich, MD, MPP, CEO
Priscilla Chan and Mark Zuckerberg San Francisco General Hospital and Trauma Center

Chester J. Kunnappilly, MD, CEO
San Mateo Medical Center

John D. Stobo, M.D., Executive Vice President
UC Health System
  UC Davis Health
  UC Irvine Health
  UCLA Health
  UCSD Health
  UCSF Health

John Mazziotta MD, PhD, CEO
UCLA Health

Patty Maysent, MPH, MBA, CEO
UC San Diego Health
  Jacobs Medical Center
  Sulpizio Cardiovascular Center
  UC San Diego Medical Center

Colorado

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Denver Health and Hospital Authority

Elizabeth Concordia, President & CEO
UCHealth
  Longs Peak Hospital
  Medical Center of the Rockies
  Poudre Valley Hospital
  University of Colorado Hospital Memorial Hospital - Colorado Springs
  Yampa Valley Medical Center

Florida

Jeff Feasel, President & CEO
Halifax Health
  Halifax Health Hospital Daytona
  Halifax Health Hospital Port Orange
  Halifax Health FSED Deltona
Halifax Health Hospital Adult Mental Health
Halifax Health Hospital Child Mental Health
Halifax Health Center for Rehabilitation

Carlos Migoya, MBA, President and CEO
Jackson Health System

Jonathan Ellen, M.D., President, CEO and Physician-in-Chief
Johns Hopkins All Children’s Hospital

Lawrence Antonucci, MD, MBA, President and CEO
Lee Health
    Cape Coral Hospital
    Golisano Children’s Hospital of Southwest Florida
    Gulf Coast Medical Center
    HealthPark Medical Center
    Lee Memorial Hospital
    The Rehabilitation Hospital

David Strong, President and CEO
Orlando Health
    Arnold Palmer Hospital for Children
    Dr. P. Phillips Hospital
    Health Central Hospital
    Orlando Regional Medical Center
    South Lake Hospital
    South Seminole Hospital
    Winnie Palmer Hospital for Women & Babies

Susan Davis, Rn, Ed.D, FACHE, President and CEO
Sacred Heart Health System
    Sacred Heart Pensacola
    Sacred Heart Emerald Coast

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Tampa General Hospital

Russell Arnistead, Jr., MBA, CEO
UF Health Jacksonville (Shands Jacksonville Medical Center)

Georgia

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Columbus Regional Health
    Midtown Medical Center
    Northside Medical Center

(Continued)
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Grady Health System

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The Medical Center  
Medical Center of Peach County  
Rehabilitation Hospital

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Northeast Georgia Medical Center Barrow  
Northeast Georgia Medical Center Braselton  
Northeast Georgia Medical Center Gainesville

Joel Wernick, President and CEO  
Phoebe Putney Health System  
Phoebe Putney Memorial Hospital  
Phoebe Sumter Medical Center  
Phoebe Worth Medical Center

Illinois

John Jay Shannon, MD, CEO  
Cook County Health & Hospitals System  
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Provident Hospital

Avijit Ghosh, PhD, CEO  
University of Illinois Hospital & Health Sciences System

Indiana

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The Methodist Hospitals at Gary  
The Methodist Hospitals at Merrillville

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(Continued)
Kentucky

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Louisiana

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  University Health Conway
  University Health Shreveport

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Massachusetts

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  Baystate Franklin Medical Center
  Baystate Wing Hospital

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  HealthAlliance Hospital
  Marlborough Hospital
  UMass Memorial Medical Center

Michigan

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Henry Ford Health System

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Henry Ford Allegiance
Henry Ford Hospital
Henry Ford Macomb Hospital
Henry Ford West Bloomfield Hospital
Henry Ford Wyandotte Hospital

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Minnesota

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Megan Remark, President and CEO
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(Continued)
New York

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  Coney Island Hospital
  Elmhurst Hospital Center
  Harlem Hospital Center
  Jacobi Medical Center
  Kings County Medical Center
  Lincoln Medical and Mental Health Center
  Metropolitan Hospital Center
  North Central Bronx Hospital
  Queens Hospital Center
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  Carolinas HealthCare Cleveland
  Carolinas HealthCare System Kings Mountain
  Carolinas HealthCare System Lincoln
  Carolinas HealthCare System Northeast
  Carolinas HealthCare System Pineville
  Carolinas HealthCare System Union
  Carolinas HealthCare System University
  Carolinas HealthCare Mercy
  Carolinas Rehabilitation
  Carolinas Rehabilitation - Mount Holly
  Carolinas Rehabilitation - Northeast
  Levine Children's Hospital
  Stanly Regional Medical Center

(Continued)
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  The Outer Banks Hospital
  Vidant Beaufort Hospital
  Vidant Bertie Hospital
  Vidant Chowan Hospital
  Vidant Duplin Hospital
  Vidant Edgecombe Hospital
  Vidant Medical Center
  Vidant Roanoke-Chowan

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Pennsylvania

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  Einstein Medical Center Montgomery
  Einstein Medical Center Elkins Park
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Rhode Island

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(Continued)
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Kent Hospital
Memorial Hospital of Rhode Island
Women & Infants Hospital

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   Gateway Healthcare
   Newport Hospital
   Rhode Island Hospital
   Hasbro Children's Hospital
   The Miriam Hospital

South Carolina

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   MUSC Institute of Psychiatry
   MUSC Medical Center

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   Erlanger Behavioral Hospital
   Erlanger Bledsoe Hospital
   Erlanger Children's Hospital
   Erlanger's Dunlap Hospital
   Erlanger East Hospital
   Erlanger North Hospital
   Erlanger University Hospital

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Texas

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Mike Geeslin, President and CEO
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(Continued)
Dr. Carlos Cardenas, M.D., CAO, and Chairman of the Board
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   Behavioral Hospital at Renaissance
   Doctors Hospital at Renaissance
   The Rehabilitation Hospital at Renaissance
   Women's Hospital at Renaissance

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   Lyndon B. Johnson Hospital
   Quentin Mease Hospital

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Medical Center Health System

Russell Meyers, FACHE, President and CEO
Midland Memorial Hospital

Robert Jacob Cintron, CEO, FACHE
University Medical Center

George Hernandez, Jr., President and CEO
University Health System

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   John Sealy Hospital, Galveston
   UTMB Health - Angleton
   UTMB Health - Galveston
   UTMB Health - League City

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   University Hospital
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   University Orthopaedic Center
   University of Utah Hospital

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Virginia

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  Riverside Regional Medical Center
  Riverside Shore Memorial Hospital
  Riverside Tappahannock Hospital
  Riverside Walter Reed Hospital

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  VCU Medical Center

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  Central Vermont Medical Center

  Fred Kniffin, MD, CEO
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  Northwest Hospital & Medical Center
  University of Washington Medical Center
  Valley Medical Center

West Virginia

Albert Wright, Jr., PharmD, MHA, President & CEO
WVU Medicine

(Continued)
Berkeley Medical Center
Camden Clark Medical Center
Jefferson Medical Center
J.W. Ruby Memorial Hospital
Potomac Valley Hospital
Reynolds Memorial Hospital
St. Joseph's Hospital
United Hospital Center