

NATIONAL ASSOCIATION OF URBAN HOSPITALS

Private Safety-Net Hospitals Caring for Needy Communities

January 11, 2010

Help Preserve Urban Hospitals' Ability to Provide a Vital Health Care Safety Net

Dear Senator Schumer:

Throughout the country, private, non-profit urban hospitals provide a much-needed health care safety-net for the uninsured and underinsured. While the National Association of Urban Hospitals (NAUH) is extremely enthusiastic about health care reform, we also recognize that reform, no matter how carefully crafted or well-intended, will still leave some people unable to afford either insurance or health care.

For this reason, we hope you will support several measures that will ensure the ability of urban safety-net hospitals to continue helping those who turn to us for care.

First and foremost, we hope you will *support adoption of the House version of the proposal to reduce Medicare DSH payments to hospitals*. Medicare DSH payments are extremely important to urban safety-net hospitals, helping to preserve access to care for Medicare beneficiaries by providing additional resources to hospitals that care for large numbers of low-income patients. Reform will reduce but not eliminate the number of our uninsured patients, nor will it help our many low-income Medicare patients who cannot afford their co-pays and deductibles. The Senate proposes cutting Medicare DSH payments by more than twice as much as the House proposes; if there must be Medicare DSH cuts, we hope you will advocate adoption of the House methodology for making them.

We also support the House version of the proposal to reduce Medicaid DSH payments; that proposal would cut Medicaid DSH by only half of what the Senate proposes. Medicaid DSH helps hospitals that serve large numbers of uninsured patients while also helping to cushion the blow of Medicaid shortfalls that most suffer because their states pay less than cost for Medicaid services. While we expect reform to reduce the number of our uninsured patients, such patients will not disappear entirely. In addition, the Medicaid shortfall issue is so important because reform is expected to add 15 million Americans to the nation's Medicaid rolls. We prefer the House approach to reducing Medicaid DSH payments.

Next, *NAUH hopes you will work to make health insurance available to as many people as possible*. The current bills will still leave between 11 million and 16 million Americans uninsured. We hope reform will do better.

And finally, *NAUH has serious concerns about the House proposal to consider geographic variations in future Medicare payments*. This misunderstood concept needs far more study than it has received so far, and when such study is complete and the time comes to make new policy, we believe Congress should make that policy. The House bill would leave that responsibility to the Department of Health and Human Services. NAUH would rather see Congress hold onto its policy-making prerogative.

If I can provide any further information about NAUH or our perspective on these issues or any other reform-related matters, please feel free to contact me.

Sincerely,
Ellen Kugler, Esq.
Executive Director