

## News and Views from the Safety-Net Association of Pennsylvania

June 2009

### Proposed Budgets Hit Safety-Net Hospitals Hard

The budget proposed by Governor Rendell in February calls for major cuts in Medical Assistance payments to safety-net hospitals – and a budget passed by the Senate last month would make those cuts even greater.

The administration's proposed budget calls for cutting nearly \$78 million in supplemental payments to hospitals, including many payments to acute-care hospitals that care for high proportions of low-income and uninsured patients. Among those cuts are:

- \$29.2 million in inpatient DSH, medical education, and Community Access Fund payments;
- \$15.1 million in outpatient DSH payments;
- \$4.4 million in payments to hospitals with OB/NICU units; and
- \$12 million in payments to hospital burn units.

Last month the Senate proposed even more devastating cuts, passing a budget with \$280 million in supplemental payment cuts, including the elimination of *all* medical education, outpatient DSH, Community Access Fund, burn center, OB/NICU, and trauma center payments.

The supplemental payment cuts in both budget proposals would force the 25% of PA acute-care hospitals that are safety-net hospitals to absorb more than 86% of these cuts.

### SNAP Lobbies Against Cuts

Representatives of SNAP hospitals traveled to Harrisburg on May 6 to meet with legislative leaders to lobby against the proposed Medical Assistance cuts.

#### What is SNAP?

*The Safety-Net Association of Pennsylvania represents the interests of private, acute-care hospitals that play the leading role in caring for the poor, the disadvantaged, and the uninsured residents of the commonwealth. Safety-net hospitals are the twenty-five percent of hospitals in Pennsylvania that care for the highest combined proportion of uninsured patients, Medical Assistance recipients, and Medicare SSI recipients and that therefore constitute the state's health care safety net. As a result of the patients they serve, safety-net hospitals face a significant, continuing, disproportionate challenge to their financial health.*

Among the officials with whom they met were House minority leader Sam Smith and staff of Senate president Joseph Scarnati, Senate Public Health and Welfare Committee chairman Ted Erickson, House Appropriations Committee chairs Dwight Evans and Mario Civera, and House majority leader Todd Eachus.

SNAP members came equipped with a variety of documents designed to illustrate the extent of the proposed cuts and the potential impact they would have on PA's private safety-net hospitals, including:

- SNAP's budget request;
- a statement on why now is the wrong time to reduce payments to safety-net hospitals;
- a commentary on the broken process through which PA makes Medical Assistance payment policies; and
- a series of charts that illustrate the disproportionate impact of the cuts on safety-net hospitals – and the ease with which the state could eliminate those cuts.

These and other budget documents can be found on SNAP's web site at [www.pasafetynet.org](http://www.pasafetynet.org).

### Fighting the Budget Battle

With more than 86% of the proposed Medical Assistance cuts falling on safety-net hospitals, the rest of the hospital industry clearly does not have the same stake in the outcome of this year's budget process as safety-net hospitals. This year, more than ever, SNAP needs to take a leading role in advocating the restoration of proposed cuts.

SNAP invites safety-net hospitals that do not belong to SNAP to join us in this effort. We would be pleased to provide you with position papers, sample letters for you and your board members to send to elected officials, sample letters to the editors, press releases, and more.

In addition, SNAP has calculated the impact of the proposed budget cuts on individual hospitals and would be pleased to share your hospital's numbers with you.

If you would like to join us in this effort, please contact Michael Chirieleison, SNAP's president, at [mike@debrunner.us](mailto:mike@debrunner.us) or 717-234-6970. ■