

Safety-Net Association of Pennsylvania

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Hospital Group Outlines Implications of Proposed Medical Assistance Cuts

(Harrisburg) Proposed reductions in Medical Assistance payments to Pennsylvania's safety-net hospitals could lead to lay-offs of hospital employees, cutbacks in hospital programs and services, postponed renovations and improvements, and delays in replacing worn and outdated hospital equipment and purchasing more modern equipment and technology.

This is the view of the Safety-Net Association of Pennsylvania (SNAP), which today shared a paper on this issue with the 253 members of Pennsylvania's General Assembly. A copy of that paper accompanies this news release.

The most recent budget passed by the Senate calls for cutting Medical Assistance supplemental payments to hospitals by \$280 million. According to SNAP president Michael Chirieleison, 86 percent of those cuts would be borne by just 25 percent of the state's acute-care hospitals: its private safety-net hospitals.

"The impact would be devastating," Chirieleison said. "These supplemental payments are specifically made to the hospitals that care for the most Medical Assistance, low-income, and uninsured patients. If these cuts are implemented, everything would be on the table and potentially subject to cuts: jobs, programs, services, improvements, purchases – everything."

Among the proposed reductions are all Medical Assistance medical education, outpatient disproportionate share, Community Access Fund, burn center, OB/NICU, and trauma center supplemental payments.

Chirieleison notes that many of the cuts hospitals will have to make if Medical Assistance payments are slashed so drastically will come without warning.

"Hospitals aren't in a position to specify publicly what they'll do if their payments are cuts. It would be irresponsible of them, and it would frighten their patients, their doctors, their communities, and their creditors. But without question, safety-net hospitals are in emergency planning mode right now, trying to figure out how they'll continue to meet the demand for care despite drastically reduced Medical Assistance revenue."

The cuts would come at an especially troubling time, Chirieleison adds.

"With the national economy still struggling, Medical Assistance enrollment is rising and so is the number of uninsured people. The hospitals that are being asked to absorb the greatest share of these cuts are all safety-net hospitals – the very hospitals to which most Medical Assistance and uninsured patients turn for care. For FY 2010, the state is asking these hospitals to do much, much more with much, much less. They'll try, but there are limits. Their resources can only stretch so far."

SNAP has asked the General Assembly to restore all proposed cuts in Medical Assistance supplemental payments.

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