



Protect Pennsylvania's Health Safety-Net from Looming Cuts to Medicaid DSH Allocations

September 14, 2020

Dear Senator Toomey:

The Safety-Net Association of Pennsylvania (SNAP), a coalition of private safety-net hospitals that provide 40 percent of Medicaid-covered hospital inpatient care in our state, is grateful for everything you and Pennsylvania's congressional delegation have done to help health care providers serve their communities in these most challenging of times. While much of this recent activity involves the response to the COVID-19 emergency, we write to you today about another challenge: the looming implementation of reductions to Medicaid disproportionate share (Medicaid DSH) state allotments.

As Congress considers a Continuing Resolution for the beginning of FY 2021, SNAP asks you to urge congressional leaders to include in it a provision that eliminates Affordable Care Act-mandated cuts in Medicaid DSH allocations to the states.

The Medicaid DSH cut was predicated on the expectation that the Affordable Care Act would greatly reduce the number of uninsured Americans, and while it has, millions remain uninsured, including nearly 700,000 Pennsylvanians – a number thought to be rising because of the job loss associated with COVID-19. When these people are sick or injured, most will turn to the state's 41 private safety-net hospitals for care. These hospitals depend heavily on their Medicaid DSH payments to underwrite the cost of care for their uninsured patients, so they have never needed the resources afforded by Medicaid DSH more than they do today. Congress has always questioned the wisdom of this cut and has never permitted those cuts to go into effect. The most recent delay expires after November 30.

For these reasons, we encourage you to urge congressional leaders to include in any future Continuing Resolution a provision permanently repealing the Affordable Care Act's reduction of Medicaid DSH allocations to the states.

We appreciate your consideration of this request and welcome any questions you may have about SNAP or our perspective on this issue.

Sincerely,

Kate Finkelstein
Legislative Liaison, Federal Affairs

