

WASHINGTON, DC 20510

August 3, 2023

The Honorable Charles E. Schumer Majority Leader United States Senate Washington, DC 20510 The Honorable Mitch McConnell Republican Leader United States Senate Washington, DC 20510

Dear Majority Leader Schumer and Leader McConnell:

We write to request that you address impending cuts to the Medicaid disproportionate share hospital (DSH) program, which are scheduled to be enacted on October 1, 2023. These cuts will equate to \$8 billion in reductions in FY2024 alone. The Medicaid DSH program keeps many hospitals financially viable and able to provide care to vulnerable individuals. Drastic cuts to this program could lead to a reduction in access to care for those who need it most.

The Medicaid DSH program was created in 1981 to help offset uncompensated care costs for those hospitals that provide care to large numbers of Medicaid and uninsured patients. These hospitals provide critical services and serve as economic and health care anchors in their communities, as has been recently demonstrated during both natural disasters as well as the COVID-19 pandemic.

The Patient Protection and Affordable Care Act required reductions to the Medicaid DSH program over time, beginning in fiscal year (FY) 2014, with the goal that the law would increase health insurance coverage and hospitals would no longer need additional payments to offset uncompensated care costs. Those coverage levels have not been fully realized yet these hospitals continue to care for uninsured and underinsured patients.

Congress has acted in a bipartisan manner on multiple occasions over the last eleven years to avert the Medicaid DSH cuts. We ask you to continue this effort and act before these reductions take place. Without legislative action, the Centers for Medicare & Medicaid Services will move forward with the Medicaid DSH reductions and our hospitals will incur an \$8 billion cut in payments for FY 2024 and \$8 billion for each of the next three years to follow. Cuts of this magnitude could undermine the financial viability of hospitals, threatening access to care for the most vulnerable Americans. It is essential that we continue to protect those who have come to rely on the services provided by Medicaid DSH hospitals.

We ask you to act as soon as possible to address the Medicaid DSH cuts to ensure our nation's hospitals can continue to care for every community.

Thank you for your consideration.

## Sincerely,

Robert P. Casey, Jr. United States Senator

James Lankford United States Senator

Shurad Brown

United States Senator

United States Senator

Raphael Warnock

United States Senator

United States Senator

Maggie Harsan
Margaret Wood Hassan

**United States Senator** 

Bill Cassidy, M.D. United States Senator

Debbie Stabenow

United States Senator

John Fetterman United States Senator

U.S. Senator

Marco Rubio

Kirsten Gillibrand
United States Senator

Tommy Puberville
United States Senator

Dianne Feinstein United States Senator Katie Boyd Britt United States Senator

Alex Padilla

**United States Senator** 

Roger J. Wicker United States Senator

Michael F. Bennet United States Senator

Amy Klobuchar United States Senator Josh Hawley United States Senator

Ben Ray Lujan

**United States Senator** 

Deb Fischer

United States Senator

Richard Blumenthal United States Senator

Tina Smith

**United States Senator** 

John Boozman

**United States Senator** 

United States Senator

Kevin Cramer

**United States Senator** 

Sheldon Whitehouse

Catherine Cortez Masto United States Senator

Kyrsten Sinema
United States Senator

Peter Welch

**United States Senator** 

Joe Manchin III

**United States Senator** 

Tammy Duckworth

**United States Senator** 

Edward J. Markey

United States Senator

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**United States Senator** 

Mark Kelly

United States Senator

Gary Ceters

United States Senator

Elizabeth Warren

United States Senator

United States Senator

United States Senator

Cory A. Booker United States Senator

United States Senator

Jeanne Shaheen

**United States Senator** 

Martin Heinrich

United States Senator

United States Senator

Chris Van Hollen

United States Senator

Christopher S. Murphy **United States Senator** 

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Mark R. Warner