

PROTECT VULNERABLE PATIENTS AND ESSENTIAL HOSPITALS IN HEALTH CARE REFORM

As Congress embarks on health care policy changes that will affect coverage for millions of people, America's Essential Hospitals and its more than 300 members urge lawmakers to protect low-income working Americans and families and their hospitals. Our members stand ready to share their extensive experience caring for people in need and providing communities with lifesaving services.

HEALTH CARE COVERAGE AND ACCESS FOR VULNERABLE PEOPLE

Nearly seven years ago, Congress passed the Affordable Care Act (ACA). Although it has not covered as many people as originally intended, the law expanded coverage to roughly 22 million people who otherwise would not have it. We recommend health reform efforts:

- 1. Provide continued access to comprehensive coverage for all those now covered under the law.** Specifically, we urge Congress to allow states that have expanded Medicaid under the ACA to maintain the expansion with enhanced federal funding.

- 2. Ensure Medicaid funding changes occur in an equitable, stable, and sustainable way across state programs.** This could include providing additional resources to essential hospitals in states that continue to see high levels of uncompensated care.

- 3. Preserve financial stability for essential hospitals.** Hospitals saw major funding cuts under the ACA that were predicated on substantial reductions in uncompensated care. Congress has wisely delayed the ACA's cuts to Medicaid disproportionate share hospital (DSH) payments and we are encouraged that recent reform proposals would repeal the cuts entirely. We urge Congress to repeal the law's DSH and other hospital funding cuts. Further, any supplemental funding should target essential hospitals that provide vital, community-wide services, such as trauma and burn care, health professionals training, emergency preparedness and disaster response, and care coordination.

CHANGES TO THE MEDICAID PROGRAM

On average, half of all essential hospital patients are Medicaid beneficiaries or uninsured. As experts on high-quality care to low-income people and others in need of stability, America's Essential Hospitals and its members work with Congress to improve Medicaid efficiency and care quality.

We support giving states expanded flexibility to tailor Medicaid to their unique populations and provider arrangements. But we strongly discourage changes that substantially cut federal support for the program, which shifts costs onto states, providers, and patients.

Essential hospitals are on the cutting edge of payment and delivery system reforms that reduce health care costs by providing more timely and effective care. We believe Medicaid reforms must focus on improving care, rather than just hitting an arbitrary budget goal. We believe successful Medicaid reforms must include:

- a baseline of funding consistent with current health care costs;

- future funding growth that accounts for the actual cost of care and the greater need for Medicaid support in economic downturns and with population growth;

- financial support for essential hospitals to continue to provide high-quality care to all patients. This includes maintaining Medicaid DSH and other supplemental payments that are critical to these hospitals' financial stability; and

- continued state flexibility in financing the nonfederal share of Medicaid costs.

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