



January 12, 2018

The Honorable Mitch McConnell
Majority Leader
United States Senate
Washington, D.C. 20510

The Honorable Charles E. Schumer
Minority Leader
United States Senate
Washington, D.C. 20510

The Honorable Paul Ryan
Speaker
United States House of Representatives
Washington, D.C. 20515

The Honorable Nancy Pelosi
Minority Leader
United States House of Representatives
Washington, D.C. 20515

Dear Leader McConnell, Speaker Ryan, Minority Leader Schumer, and Minority Leader Pelosi:

The National Association of Urban Hospitals asks you to delay cuts in Medicaid disproportionate share hospital payments (Medicaid DSH) and block continued implementation of a new regulation that greatly reduces Medicare payments to qualified providers under the section 340B prescription drug discount program. We wrote to you about these issues in December and recognize how hectic the end of last year was but these issues remain of vital importance to urban safety-net hospitals and others like us.

Medicaid DSH payments provide vital resources to qualified hospitals that serve especially large numbers of low-income and uninsured patients. Twice now Congress has recognized the problem reducing these payments would pose and delayed their implementation and we know Congress has continued to explore this issue, including through legislation late last year. We respectfully request that you take up this issue and lead the way to legislation that again delays Medicaid DSH cuts.

NAUH also ask you to enact legislation that blocks a new CMS regulation that greatly reduces, as of January 1, Medicare payments to qualified hospitals that dispense prescription drugs under the section 340B prescription drug discount program. The regulation adopted by CMS last fall reduces Medicare payments to qualified providers by 28 percent, or \$1.6 billion. This poses an enormous problem for providers and we know Congress has been looking closely at this issue as well and was working on it right up until the end of 2017. We respectfully request that you take up this issue now and prevent implementation of this cut before reduced prescription drug payments begin to appear in the Medicare payments 340B-eligible providers.

NAUH appreciates your consideration of these requests and welcomes any questions you may have about these issues or our positions on them.

Sincerely,

Ellen Kugler, Esq.
Executive Director

cc: Members of Congress

