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Hospital Group to Congress: Protect Hospitals, Stop Medicare Cuts

(Washington, D.C.) The National Association of Urban Hospitals (NAUH) has asked Congress to protect private, non-profit urban safety-net hospitals by blocking cuts in special Medicare payments made to selected hospitals that serve especially large numbers of low-income elderly and uninsured patients.

The cuts in the payments, known as Medicare disproportionate share hospital payments, or Medicare DSH, are mandated under the Affordable Care Act. They were unveiled on Monday in a new Medicare regulation issued by the Centers for Medicare & Medicaid Services (CMS). The 2010 reform law calls for gradual reductions in Medicare DSH payments in anticipation of more people becoming insured and hospitals providing less care to uninsured patients. This week's new Medicare regulation greatly accelerates the rate at which the payments are being cut – well beyond even what CMS projected just three months ago.

In a message delivered to Congress yesterday, NAUH wrote that "... urban safety-net hospitals are already struggling to accommodate an outsized proportion of the \$270 billion in Medicare payment cuts imposed on hospitals in recent years" and that in light of the Supreme Court decision making Medicaid expansion optional for states, Congress has not decided how to adjust the plan to reduce Medicare DSH payments. The result is an uneven and, in NAUH's view, unfair distribution of Medicare DSH cuts, and NAUH called on Congress to protect private, non-profit urban safety-net hospitals by delaying all Medicare DSH cuts until it directs the administration on how to adjust the plan to reduce the payments.

"The stakes are great for urban safety-net hospitals," explained NAUH executive director Ellen Kugler. "Private safety-net hospitals need to be protected from these cuts, which threaten to destroy their ability to care for their vulnerable patients." Also at stake, said Kugler, is "...the ability of some private, non-profit urban safety-net hospitals to continue fulfilling their vital role in the American health care safety net."

NAUH's complete message to Congress can be found [here](#).

The National Association of Urban Hospitals advocates for adequate recognition and financing of private, non-profit, urban safety-net hospitals that serve America's needy urban communities. These urban safety-net hospitals differ from other hospitals in a number of key ways: they serve communities whose residents are much older and poorer; they are far more reliant on Medicare and Medicaid for revenue; they provide far more uncompensated care; and unlike public safety-net hospitals, they have no statutory entitlement to local or state funds to underwrite their costs. NAUH's role is to ensure that when federal officials make policy decisions, they understand the implications of those decisions for these distinctive urban safety-net hospitals. NAUH pursues its mission through a combination of vigorous, informed advocacy, data-driven positions, and an energetic membership.

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