



**FOR IMMEDIATE RELEASE**  
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**Partnership for Medicaid to Congress:  
Preserve Disproportionate Share Payments to Safety-Net Hospitals**

WASHINGTON — Hospitals that already struggle to stay open due to the uncompensated costs of caring for uninsured and Medicaid patients face a devastating financial hit this year unless Congress halts cuts to federal disproportionate share hospital (DSH) payments, The Partnership for Medicaid has told Senate and House leaders.

In a [letter to Senate Majority Leader Mitch McConnell \(R-KY\), Senate Minority Leader Chuck Schumer \(D-NY\), House Speaker Nancy Pelosi \(D-CA\), and House Minority Leader Kevin McCarthy \(R-CA\)](#), the Partnership, a nonpartisan coalition of Medicaid stakeholders, called on Congress to stop or delay Medicaid DSH cuts for at least two years.

“Medicaid DSH payments were created to sustain hospitals that serve a disproportionate number of low-income and uninsured patients,” the Partnership said in its letter. “These hospitals, which treat the most vulnerable, in both urban and rural communities nationwide, absorb the bulk of the country’s uncompensated care and treat a large share of Medicaid enrollees. DSH payments remain critical to allowing these facilities to continue serving their communities and fulfilling their safety-net mission.”

DSH payments help offset high uncompensated care costs at hospitals that care for large numbers of low-income, uninsured, and Medicaid patients. Current law would slash DSH funding by \$4 billion—a third of current levels—on Oct. 1, 2019.

DSH hospitals’ financial challenges have deepened in recent years. Although more patients enrolled in Medicaid in expansion states, Medicaid shortfall—the difference between what Medicaid pays and a hospital’s true costs—also grew. So, because the reduction in uncompensated care did not make up for the greater Medicaid shortfall, DSH hospitals saw a net reduction in their revenue.

The Medicaid and CHIP Payment and Access Commission’s 2019 report to Congress showed that “Medicaid DSH payments are still needed to supplement the shortfalls faced by hospitals that care for Medicaid and uninsured patients,” the Partnership said in its letter. “Medicaid DSH payments are vital for the stability and viability of these hospitals—the hospitals that care for the nation’s most vulnerable patients, provide highly specialized, lifesaving services, train the next generation of clinicians, and perform a myriad of other services relied on by communities across the country.”

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**The Partnership for Medicaid** is a nonpartisan, nationwide coalition made up of organizations representing doctors, health care providers, safety-net health plans, counties, and labor. The goal of the coalition is to preserve and improve the Medicaid program.

**The Partnership for Medicaid** seeks to raise awareness about the vital role played by the Medicaid program, which provides essential health care services to more than 58 million people. By working in a bipartisan manner with all levels of government and affected constituency groups, we seek to provide viable solutions to improving the quality and delivery of services, with the aim of constraining costs without undermining the program's fundamental goals.

Above all, **The Partnership for Medicaid** is a unified voice to ensure that Medicaid continues its crucial role as a strong safety net for vulnerable Americans.