



National
Association
of Public
Hospitals
and Health
Systems

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February 28, 2011

The Honorable Fred Upton
Chairman
Committee on Energy and Commerce
United States House of Representatives
Washington, DC 20515

The Honorable Henry Waxman
Ranking Member
Committee on Energy and Commerce
United States House of Representatives
Washington, DC 20515

The Honorable Max Baucus
Chairman
Committee on Finance
United States Senate
Washington, DC 20510

The Honorable Orrin Hatch
Ranking Member
Committee on Finance
United States Senate
Washington, DC 20510

Dear Chairman Upton, Congressman Waxman, Chairman Baucus and Senator Hatch,

As your committees consider legislative changes to the Medicaid program, I write to offer the views of the nation's public and safety net hospitals on the importance of maintaining Medicaid coverage for program beneficiaries. The National Association of Public Hospitals and Health Systems represents the nation's largest metropolitan public and safety net hospitals. Collectively, our members provide more than 50 million outpatient visits and nearly two million admissions to a diverse group of patients each year.

We recognize that the Federal and state governments are in a deep fiscal hole. While there are many reasons for these budgetary problems, Medicaid – which has grown recently due to the economic downturn – is a leading cost driver. As the country's leading providers to Medicaid beneficiaries and the uninsured, we know the hidden cost of taking Medicaid away from patients who need it. Put simply: When people lose Medicaid, we all pay the premium.

The fact is that cutting people off Medicaid does not make them – or their health care costs – disappear. Indeed, uninsured people are more likely than those with coverage to defer care, get sick and develop expensive chronic conditions. Our hospital systems pay an immediate premium when uninsured patients walk through our doors. Taxpayers and insured patients pay a premium – literally – when some of the cost of care for the uninsured is passed onto them. The entire economy pays a premium when people lose coverage through inefficient health care spending, lost productivity and higher mortality. Of course, the beneficiaries themselves pay a premium. According to a 2009 Consensus Report by the Institute of Medicine, the simple fact of having health care coverage – Medicaid or otherwise – made a meaningful difference in patients' health outcomes. For some patients, it makes the difference between life and death.

We know that there are better options available to work through the immediate fiscal crisis without sacrificing care for millions of Medicaid beneficiaries. We look forward to working with you on finding options to help states work through budget shortfalls while building on delivery system and payment innovations to improve care and reduce costs – creating a more efficient and stable Medicaid program in the future. While we work together, we ask Congress to take Medicaid eligibility cuts off the table. Our nation simply cannot afford them.

Sincerely,

A handwritten signature in black ink, appearing to read "Bruce Siegel". The signature is fluid and cursive, with a long horizontal stroke at the end.

Bruce Siegel, MD
Chief Executive Officer

cc: Kathleen Sebelius, Secretary of Health and Human Services
John Boehner, Speaker of the U.S. House of Representatives
Nancy Pelosi, Minority Leader, U.S. House of Representatives
Harry Reid, Majority Leader, U.S. Senate
Mitch McConnell, Minority Leader, U.S. Senate