

Congress of the United States
Washington, DC 20515

The Honorable Dave Camp
Chairman
Committee on Ways and Means
U.S. House of Representatives
1102 Longworth House Office Building
Washington, DC 20515

The Honorable Max Baucus
Chairman
Committee on Finance
U.S. Senate
219 Dirksen Senate Office Building
Washington, DC 20510

February 2, 2012

Dear Chairman Camp and Chairman Baucus:

As you and your colleagues on the conference committee address the extension of payroll tax relief and unemployment compensation benefits, restoration of Medicare payments to physicians, and other matters, we urge you not to pay for solutions to these and other problems by cutting Medicare in a manner that would reduce payments to the nation's urban safety-net hospitals.

These hospitals have already borne a significant share of recent spending cuts, including nearly one-third of the \$155 billion in cuts mandated by the Affordable Care Act, which includes significant reductions in Medicare disproportionate share (DSH) and Medicaid DSH payments, among other cuts. In addition, because they care for so many Medicare patients, future productivity adjustments and reductions in annual cost-of-living updates will hit them especially hard – and disproportionately.

These urban safety-net hospitals play a vital role in the overall American health care safety net. They care for especially large numbers and proportions of Medicaid, low-income Medicare, and uninsured patients in cities large and small across the country and therefore are far more dependent on Medicare and Medicaid than the typical American hospital. At the same time, they are an important source of jobs for the residents of the low-income areas in which they are located – good jobs that help stabilize families and stabilize communities.

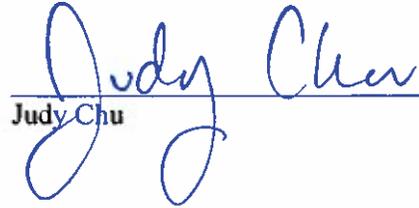
Late last year, the Joint Select Committee on Deficit Reduction considered a number of possible Medicare cuts, including reducing or eliminating reimbursement of hospitals' Medicare bad debts; reducing or eliminating medical education payments; and reducing outpatient evaluation and management payments. All of these reductions would be especially harmful to urban safety-net hospitals, and we urge you not to revive them as means of offsetting any spending the committee ultimately endorses.

We recognize the challenge the conference committee faces as you attempt to balance the demands of immediate needs with those of long-term fiscal responsibility. We also recognize the importance of paying for the solutions to our problems so as to not increase the national debt. Nevertheless, we strongly encourage you not to pay for those solutions by reducing Medicare and Medicaid payments to urban safety-net hospitals because of the vital role they play in ensuring access to care in urban communities and providing steady, reliable employment in their

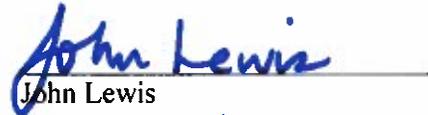
communities. In addition, they already have been asked to bear significant reductions in their Medicare and Medicaid payments to help pay for other federal programs.

Sincerely,

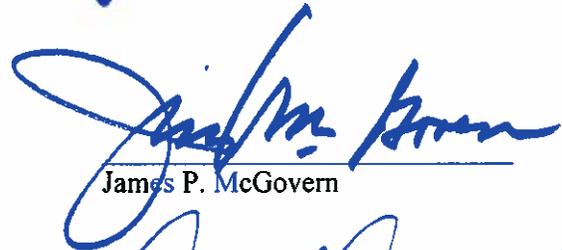

Marcia L. Fudge


Judy Chu

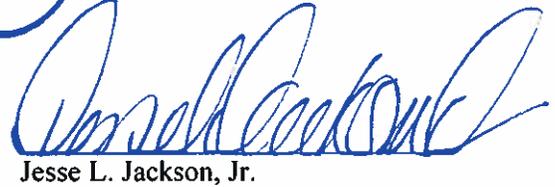

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Barbara Lee


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Laura Richardson


Gwen Moore


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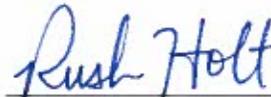
Hansen Clarke
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David Scott
David Scott

Lynn C. Woolsey
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André Carson



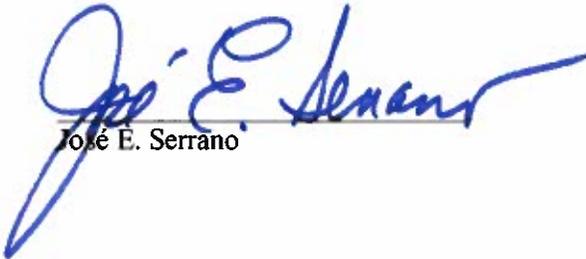
Rush Holt



Maxine Waters



Howard L. Berman



José E. Serrano



Mike Michaud

cc:

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U.S. Senator Bob Casey Jr.
U.S. Senator Jack Reed
U.S. Senator Jon Kyl
U.S. Senator John Barrasso
U.S. Senator Mike Crapo
U.S. Representative Fred Upton
U.S. Representative Tom Price
U.S. Representative Nan Hayworth
U.S. Representative Tom Reed
U.S. Representative Kevin Brady
U.S. Representative Greg Walden
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U.S. Representative Sander Levin
U.S. Representative Chris Van Hollen
U.S. Representative Allyson Schwartz
U.S. Representative Henry Waxman