



Liberty Place, Suite 700
325 Seventh Street, NW
Washington, DC 20004-2802

(202) 638-1100 Phone
www.aha.org

May 6, 2003

The Honorable John D. Dingell
United States House of Representatives
2328 Rayburn House Office Building
Washington, DC 20515

Dear Representative Dingell:

On behalf of the American Hospital Association's (AHA) nearly 5,000 hospitals, health care systems, networks, and other providers of care, I am writing to express our support for your legislation, the Strengthening Our States Act (SOS Act) of 2003, designed to help states maintain and improve their Medicaid programs and provide coverage to their uninsured residents.

More than 41 million Americans lack health care coverage, but this staggering figure does not tell the full story. According to a recent report released by the Robert Wood Johnson Foundation, nearly 75 million people under the age of 65 lacked coverage at some time during the past two years, two-thirds of whom were uninsured for six months or more.

Medicaid has historically served as a buffer to the perils of an uncertain economy by providing access to health services for those who cannot afford it. Yet today's recession has thrust upon states the most serious fiscal crisis in over 50 years. Last year, nearly all states imposed Medicaid cutbacks in some form to fill budget gaps. The vast majority of states expect to consider further proposals to cut Medicaid eligibility, health services and payments to health care providers.

Yet it is the hospitals emergency department (ED) where the uninsured and newly uninsured turn to for care. The hospital ED has long been the health care safety net – guaranteeing access to health care services for all Americans, regardless of ability to pay. Today hospital EDs face enormous challenges caring for both those with insurance and those without, and these challenges affect health care for the entire community, not just uninsured people. An Institute of Medicine report recently confirmed this phenomenon, stating that the overcrowded hospital emergency department “reduces everyone's access to lifesaving care,” and that a lack of a regular source of medical care “puts everyone at risk,” making it more difficult to detect and track contagious diseases.

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The AHA believes that every American deserves access to basic health services – services that provide the right care, at the right time, in the right place. We are committed to achieving health care coverage for all, and applaud the goals of the SOS Act of 2003 as a crucial component to moving us in that direction.

Specifically, your legislation would:

- Restore all scheduled cuts to the federal share of the Medicaid disproportionate share hospital (DSH) program and allow Medicaid DSH to grow in states with small DSH programs.
- Include a temporary \$30 billion increase in the federal Medicaid matching percentage (FMAP) and help states continue to provide essential health care services to their residents.
- Help hospitals deal with the cost of care for undocumented immigrants, provide coverage expansions for parents and legal immigrants, as well as give states the option to cover single childless adults.
- Resolve issues regarding SCHIP allotment funds, thereby helping states retain and expand coverage for children.

In addition to expanding publicly financed insurance programs to reduce the numbers of the uninsured, AHA also supports private sector initiatives. Such initiatives include refundable tax credits for low-income workers and their families and insurance reforms such as pooling mechanisms to make the cost of purchasing individual coverage more affordable. We applaud your leadership in advancing the debate on coverage and access to and look forward to working with you as the legislative process continues. If we can be of assistance, please do not hesitate to contact Tama Mattocks, senior associate director for federal relations, at (202) 626-2291.

Sincerely,



Rick Pollack
Executive Vice President