



Healthcare Association
of New York State



July
Twenty-Five
2007

The Honorable John D. Dingell
Chairman, Energy & Commerce Committee
United States House of Representatives
Washington, D.C. 20515

The Honorable Frank Pallone
Chairman, Energy & Commerce Health Subcommittee
United States House of Representatives
Washington, D.C. 20515

Dear Chairmen:

Let us begin by stating how appreciative we are of the Committee's tremendous efforts to expand children's health insurance. We strongly support your work in this regard, and look forward to working with you to make an expanded SCHIP program a reality.

We would like to express our disappointment, however, that the "Children's Health and Medicare Protection Act" did not include a key provision protecting the nation's public and teaching hospitals. Specifically, we had hoped that the Chairman's mark would include a one-year extension of the current moratorium preventing the implementation of two devastating Medicaid regulations advanced by the Administration earlier this year. Although a moratorium is currently in effect through May 2008, for which we are deeply grateful, we believe it may be difficult to find an appropriate legislative vehicle early next year to extend the moratorium, thus making addressing this issue this calendar year absolutely critical. Also, since our hospitals and the State must start budgeting for such enormous losses in the coming months, it further necessitates the extension of the moratorium by year end.

Specifically, a moratorium extension would prevent the Administration from implementing: (1) its final Medicaid regulation that would severely affect public hospitals across the country by restricting intergovernmental transfers (also referred to as the upper payment limit or UPL rule), and (2) its proposed Medicaid graduate medical education (GME) rule that would eliminate Federal financial support for Medicaid GME altogether. If the Medicaid UPL rule is not stopped, the loss in funding to New York City's public hospital system, the Health & Hospitals Corporation (HHC), would be enormous. New York State also stands to lose significant funding should this regulation be implemented next May. Supplemental Medicaid funds have played a major role in insuring that communities throughout the United States are protected with adequate emergency response capabilities and highly specialized tertiary services including trauma care,

neonatal intensive care, burn units and psychiatric emergency care services. If the GME proposed rule is not stopped, the impact would be simply extraordinary to New York State teaching hospitals. Traditionally, all payers (Medicare, Medicaid, private payers) have shared in the responsibility of supporting GME. At a time when there is a looming crisis in terms of a severe physician shortage, the Administration should not be eliminating their vital financial support for Medicaid GME. Hence, we cannot underscore enough the importance of addressing these issues this calendar year.

As always, we are so grateful for the Committee's strong support of hospitals. Thank you, again.

Sincerely,



Kenneth E. Raske
President
Greater New York Hospital Association



Dan Sisto
President
Healthcare Association of New York State



Alan Aviles
President
New York City Health and Hospitals Corporation