

**Alabama Hospital Association  
Statement for the Record  
House of Energy and Commerce Committee  
Hearing on Medicaid Reform  
February 6, 2003**

Alabama, like many states, is one that has relied on the partnership of the federal and state government to serve its neediest citizens through the Medicaid program. Together, we have made great progress in reducing the number of infant mortalities, expanding our preventative programs through better case management, and providing basic health care services to thousands of Alabamians.

However, there are still numerous health problems facing our state, along with rising unemployment. Alabama is a state dominated by small businesses, with many of them being rural farming operations. And, while these business owners would like to provide health insurance for their employees, many of them simply cannot afford it. Therefore, in a state such as ours, there is a huge need for public assistance regarding health coverage.

While we welcome the opportunity to have more flexibility in how federal dollars are spent, we are deeply concerned about the proposal calling for the absorption of the Medicaid DSH funds into the acute care allotment. The current Medicaid DSH program is the reason many Alabama hospitals have been able to continue serving our most vulnerable people. Without it, our program would be devastated, severely decreasing access to basic health care.

We urge you to look at all of the facts before making a decision about a program that is so critical to Alabamians and to others across the nation.