



DISTRICT HOSPITAL  
LEADERSHIP FORUM



United Hospital Association

March 6, 2025

**RE: Eliminate Medicaid DSH Payment Reductions**

Dear Members of the California Congressional Delegation:

We are writing on behalf of California's hospitals to request your assistance with eliminating the reductions in Medicaid disproportionate share hospital (DSH) payments to states that are scheduled to take effect on April 1, 2025. California's hospitals rely on federal Medicaid DSH funds to support health care services for low-income, uninsured, and underinsured Californians.

If these cuts go into effect, California's hospitals would lose approximately \$1 billion in 2025 — a cut that would be especially damaging for the state's safety-net hospitals that provide the majority of care to low-income Californians. These cuts were originally scheduled to take effect in 2014, but recognizing the severe harm they would cause, Congress has consistently — and with strong bipartisan support — blocked their implementation.

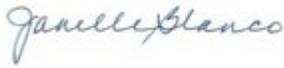
**We are writing today to ask you to eliminate these cuts once again.**

In December's continuing budget resolution, set to expire on March 14, Congress included a two-year delay for these cuts — but that delay has since been dropped. It is imperative that these cuts are once again delayed for as long as possible, as the funds are critical to ensure hospitals are able to continue providing vital services for those most in need. DSH hospitals also provide essential services for everyone — including those with health insurance — such as primary and specialty care, trauma care, neonatology, burn care, pediatric care, and behavioral health care.

These hospitals operate on thin margins, and the reduction of DSH payments could lead to service reductions or closures — meaning millions of Californians could lose access to care they rely on today. That would deepen existing health disparities and put additional strain on other parts of the health care system, such as emergency departments throughout the state.

Congress must act to protect this program to ensure equitable access to health care and uphold the nation's commitment to its most vulnerable citizens. We respectfully ask you to, once again, eliminate the reduction in Medicaid DSH payments to hospitals.

Sincerely,



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Executive Director  
United Hospital Association



Carmela Coyle  
President & CEO  
California Hospital Association



Ann-Louise Kuhns  
President and CEO  
California Children's Hospital Association



Anne McLeod  
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