



DISTRICT HOSPITAL  
LEADERSHIP FORUM



United Hospital Association

November 12, 2024

**RE: Assistance in Eliminating 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 reductions in Medicaid disproportionate share hospital (DSH) payments to the states, which are scheduled to take effect on Jan. 1, 2025. California's safety-net hospitals rely on federal Medicaid DSH money to subsidize the cost of care for low-income, uninsured, and underinsured Californians — and to ensure their continued ability to provide the services that vulnerable communities need.

A bipartisan letter to prevent the scheduled Medicaid DSH cuts is being circulated by Representatives Dan Crenshaw (R-TX), Yvette Clarke (D-NY), Diana DeGette (D-CO), and Gus M. Bilirakis (R-FL). We urge you to sign this letter to House leadership before Friday, November 22.

If these cuts go into effect, California's hospitals would lose approximately \$1.2 billion in 2025 — a cut that would be especially damaging for the state's safety-net hospitals, which provide the majority of care to low-income Californians. These cuts were originally scheduled to take effect in 2014, but Congress, recognizing the harm they would cause, has consistently — and with strong bipartisan support — blocked their implementation. We are writing today to ask you to once again eliminate these cuts.

DSH funding is crucial for hospitals that provide the preponderance of care to low-income and uninsured patients, including many rural and urban hospitals. The majority of these hospitals operate on thin margins, and the reduction of DSH payments could lead to service reductions or closures — something the state has already encountered. DSH hospitals ensure access to vital health care services for those most in need. They 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. Without these funds for hospitals, millions of Californians are likely to lose access to critical health care services, thereby widening health disparities and putting additional strain on other parts of the health care system, such as emergency departments.

Congress must act to protect this program, which ensures equitable access to health care and upholds the nation's commitment to its most vulnerable citizens. We respectfully ask you to once again eliminate the reduction in Medicaid DSH allotments and please join your colleagues on the bipartisan letter sponsored by Reps. Crenshaw, Clarke, DeGette, and Bilirakis.

Sincerely,



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Executive Director  
United Hospital Association



Carmela Coyle  
President & CEO  
California Hospital Association



Ann-Louise Kuhns  
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