

AMERICA'S HOSPITALS AND HEALTH SYSTEMS

March 1, 2011

The Honorable Kathleen Sebelius
Secretary
Department of Health and Human Services
200 Independence Avenue, SW
Room 445-G
Washington, DC 20201

Dear Secretary Sebelius:

On behalf of the undersigned organizations representing hospitals and health systems, we want to reiterate our strong support for the Medicaid maintenance of effort (MOE) requirement that was part of the Affordable Care Act (ACA), and urge you to continue to resist efforts to erode the important coverage protections that this provision is intended to ensure. The nation's hospitals and health systems recognize the significant fiscal pressures facing many states and stand ready to work with them, as you do, to find effective solutions without compromising coverage.

The Medicaid program currently serves over 50 million Americans, and the recent increase in enrollment is a direct result of the downturn in the nation's economy. Given that this growth has put pressure on the state budgets, some governors are seeking waivers from the federal government with respect to the Medicaid MOE on eligibility responsibilities in the ACA. The MOE requirement prohibits a state from reducing its Medicaid eligibility, with some exceptions, before Jan. 14, 2014, when the law's coverage expansion goes into effect.

A relaxation of the MOE provisions will push many low-income Americans off Medicaid rolls, thereby increasing the number of uninsured – moving us backwards rather than forward towards the ACA's goal of expanded health coverage. Removing people from Medicaid does not keep them from getting sick and will deter them from seeking the care that they need. Further, it shifts the burden of their care from states and the federal government largely onto the nation's hospitals. Hospitals currently provide some \$40 billion in uncompensated care and the loss of the Medicaid MOE will only increase this burden on providers.

We stand ready to work with you to find opportunities to make Medicaid a more efficient and sustainable program. As we work together to find durable solutions, we urge you to maintain the Medicaid MOE provisions in order to ensure that health care is available to the most vulnerable Americans.

Sincerely,

American Hospital Association
Association of American Medical Colleges
Catholic Health Association of the United States
Federation of American Hospitals
National Association of Children's Hospitals
National Association of Public Hospitals and Health Systems
VHA Inc.