



Charles N. Kahn III
President and CEO

July 17, 2019

The Honorable Frank Pallone, Chairman
House Committee on Energy & Commerce
2125 Rayburn House Office Building
Washington, DC 20515

The Honorable Greg Walden, Ranking Member
House Committee on Energy & Commerce
2322 Rayburn House Office Building
Washington, DC 20515

Dear Chairman Pallone and Ranking Member Walden:

On behalf of the Federation of American Hospitals (FAH), I am pleased to offer our strong support for important Medicare and Medicaid extender provisions that the House Energy & Commerce Committee will consider today. Specifically, I offer our support for the policy that eliminates the Medicaid disproportionate share allotment (DSH) reductions for Fiscal Years 2020 and 2021 while reducing the reductions from \$8 billion to \$4 billion in Fiscal Year 2022 and for the policy extending funding for the National Quality Forum (NQF).

The FAH is the national representative of more than 1,000 investor-owned or managed community hospitals and health systems throughout the United States. Our members include hospitals in urban and rural America, as well as inpatient rehabilitation, psychiatric, long-term acute care, and cancer hospitals.

Medicaid DSH

The Affordable Care Act (ACA) reduced payments to the Medicaid DSH program under the assumption that uncompensated care costs would decrease as health care coverage increased. Unfortunately, the coverage rates envisioned under the ACA have not been fully realized, and tens of millions of Americans remain uninsured. In addition, Medicaid underpayment continues to pose ongoing financial challenges for hospitals treating our nation's most vulnerable citizens. Congress has recognized the need for the Medicaid DSH program to continue to be funded fully by delaying the start of the cuts over the last several years.

By eliminating the reductions for two years and reducing by half the magnitude of the cuts in Fiscal Year 2022, Congress is again recognizing the importance of these payments to hospitals serving this important patient population.

National Quality Forum

The NQF has been critical to ensuring the reliability and effectiveness of quality measures, and we are pleased to see continued investment in their important work. The FAH also supports the Committee's expansion of the NQF's scope, providing long needed authority to recommend the removal of measures to ensure they continue to drive measurable improvements in quality for Medicare beneficiaries.

We thank you for your leadership in advancing these policies. We look forward to working with you to ensure that both the Medicaid DSH policy and the extension of NQF funding are advanced by Congress prior to the end of the current fiscal year.

Sincerely,

A handwritten signature in cursive script, likely belonging to a man, positioned below the word "Sincerely,". The signature is fluid and somewhat stylized, with a prominent initial letter.