America's Hospitals and Health Systems

October 28, 2013

The Honorable Patty Murray
Chair, Committee on Budget
United States Senate
624 Dirksen Senate Office Building
Washington, DC 20510

The Honorable Paul Ryan
Chair, Committee on Budget
United States House of Representatives
207 Cannon House Office Building
Washington, DC 20515

The Honorable Jeff Sessions
Ranking Member, Committee on Budget
United States Senate
624 Dirksen Senate Office Building
Washington, DC 20510

The Honorable Chris Van Hollen
Ranking Member, Committee on Budget
United States House of Representatives
B-71 Cannon House Office Building
Washington, DC 20515

Dear Senators Murray and Sessions and Representatives Ryan and Van Hollen:

America's hospitals are striving to maintain access to essential care in the face of excessive Medicare and Medicaid cuts, but we are at a crossroads and the actions you take in the next several weeks and months could have profound effects on your communities.

With total cuts approaching nearly half a trillion over the next ten years, including nearly $45 billion in Medicare sequestration cuts, many local hospitals are nearing a breaking point in their ability to ensure patients have the care they need, when they need it. In the last three years alone, hospitals have been subjected to more than $95 billion in cuts. This comes on top of the more than $40 billion in uncompensated care hospitals provide to vulnerable patients every year. Local hospitals simply cannot meet the needs of the communities we aim to serve if we continue to face these cuts and underpayments. Last year, Medicare's hospital reimbursement was 6 percent below the cost of care. Medicaid's payment is even lower, on average.

We urge you to talk with your local hospitals to discuss the impact of hospital cuts on your constituents. These cuts have already resulted in the elimination of essential hospital services.

As you meet to discuss federal budget options, your local hospitals – represented by the undersigned organizations – urge you to oppose any further cuts to hospitals. Further, we urge you to protect and strengthen their ability to provide care to all patients by providing urgent relief from Medicare sequestration which, if left in place, will continue to interfere with our mission to provide essential care to your communities.

Your local hospitals recognize that Congress faces difficult budget decisions, but hospitals cannot continue to be the path of least resistance. Enough is enough. Your communities need your support in protecting critical hospital funding.

Sincerely,

America's Essential Hospitals
American Hospital Association
Association of American Medical Colleges
Catholic Health Association of the United States
Children's Hospital Association
Federation of American Hospitals
National Association of Psychiatric Health Systems
Premier healthcare alliance
VHA Inc.

cc: Sen. Harry Reid, Majority Leader
Sen. Mitch McConnell, Minority Leader
Sen. Max Baucus, Chair, Committee on Finance
Sen. Orrin Hatch, Ranking Member, Committee on Finance
Rep. John Boehner, Speaker
Rep. Nancy Pelosi, Minority Leader
Rep. Fred Upton, Chair, Committee on Energy and Commerce
Rep. Henry Waxman, Ranking Member, Committee on Energy and Commerce
Rep. Dave Camp, Chair, Committee on Ways and Means
Rep. Sander Levin, Ranking Member, Committee on Ways and Means