Congress of the United States
Washington, DC 20515

March 4, 2015

Mr. John Boehner
Speaker
United States House of Representatives

Mr. Kevin McCarthy
Majority Leader
United States House of Representatives

Ms. Nancy Pelosi
Minority Leader
United States House of Representatives

Mr. Steve Scalise
Majority Whip
United States House of Representatives

Mr. Steny Hoyer
Minority Whip
United States House of Representatives

Dear Speaker Boehner, Majority Leader McCarthy, Minority Leader Pelosi, Majority Whip Scalise, and Minority Whip Hoyer:

We write to urge you to prioritize making Tennessee permanently eligible for partial Medicaid Disproportionate Share Hospital (DSH) program payments in any package related to Sustainable Growth Rate (SGR) physician payments. Tennessee is the only state in the country that does not have access to the Medicaid DSH program. This unequitable situation must be remedied to ensure that patients all over Tennessee and across the nation continue to have access to high quality care in Tennessee hospitals.

When TennCare was created in 1994, the state agreed to eliminate the Medicaid DSH payment, believing the majority of the uninsured and uninsurable would be covered through the new TennCare program. Unfortunately, costs began to escalate in the program quickly and continued to grow. In 2005, the TennCare coverage experiment ended, but Tennessee's Medicaid DSH eligibility was not reinstated.

Tennessee hospitals provided more than $700 million in unreimbursed TennCare costs last year. In addition to the unreimbursed costs, Tennessee hospitals provided $970 million in charity care and lost an additional $730 million on services provided to Medicare enrollees. This resulted in $2.4 billion in unreimbursed cost from charity care and government funded health care programs.

The lack of Medicaid DSH eligibility also affects other states. In 2013, Tennessee hospitals provided care to more than 350,000 residents from just the eight states bordering Tennessee. Each of these states is eligible for Medicaid DSH payments, while Tennessee is not.

We urge you to provide a permanent solution and adopt the language included in the Ways and Means Committee's *Hospital Improvements for Payment Act of 2014* discussion draft into any

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package related to SGR. We thank you for your timely attention on this matter. Should you have any questions, please contact Katie Allen in Representative Black's office at Katie.Allen@mail.house.gov or Karen Summar in Representative Blackburn's office at Karen.Summar@mail.house.gov.

Sincerely,

DIANE BLACK
Member of Congress

MARSHA BLACKBURN
Member of Congress

STEVE COHEN
Member of Congress

JIM COOPER
Member of Congress

SCOTT DESJARLAIS
Member of Congress

JIMMY DUNCAN
Member of Congress

STEPHEN FINCHER
Member of Congress

CHUCK FLEISCHMANN
Member of Congress

PHIL ROE, M.D.
Member of Congress