



CALIFORNIA  
HOSPITAL  
ASSOCIATION



CALIFORNIA ASSOCIATION OF  
PUBLIC HOSPITALS AND HEALTH SYSTEMS

P.E.A.C.H., INC.  
Private Essential Access Community Hospitals

April 3, 2008

The Honorable John Dingell  
Chairman  
Energy and Commerce Committee  
2125 Rayburn House Office Building  
Washington, DC 20515-6115

The Honorable Tim Murphy  
322 Cannon House Office Building  
Washington, DC 20515-3818

Dear Chairman Dingell and Representative Murphy:

As organizations representing the health care safety net providers across the state of California, we are writing to express our strong support for H.R. 5613, Protecting the Medicaid Safety Net Act of 2008. We know first hand how important this legislation is, particularly to our patients.

Most importantly, H.R. 5613 extends, for an additional year, the current moratorium on the Centers for Medicare and Medicaid Services' (CMS) rule to severely restrict payments to public hospitals that help cover the costs of the uninsured and a rule that would eliminate reimbursement for Graduate Medical Education in these hospitals. The bill also halts until April 2009 other onerous Medicaid rules that will devastate access to needed health care services for Medicaid patients.

The bill expands on the legislation introduced by Representatives Elliot Engel (NY) and Sue Myrick (NC), H.R. 3533, which enjoys strong bipartisan support from a growing majority in the House. H.R. 3533 addresses the Medicaid rules that are under the existing moratorium set to expire on May 25, 2008.

***Without congressional intervention, the hospital focused regulations will be implemented and the impact on California will be devastating. The estimated cost to California is well over \$636 million a year and will only grow with the recently released outpatient payment regulation. Therefore, we urge you to include the moratorium provision in any legislative vehicle that passes this spring.***

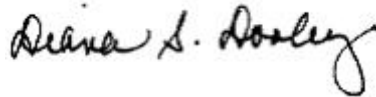
Although the rules would have the most direct and immediate impact on public safety net hospitals, there would also be a devastating domino effect throughout California's entire safety net hospital system of care, which includes private, children's, teaching and district hospitals. The health care system is already tremendously strained, given reductions to the Medicaid program and increasing numbers of uninsured, which is approaching 6 million in California. These rules would severely exacerbate those challenges.

Thank you for your leadership on this vital issue to California's hospitals and the patients we serve.

Sincerely,



William Gurtner  
University of California



Diana Dooley  
California Children's Hospital Association



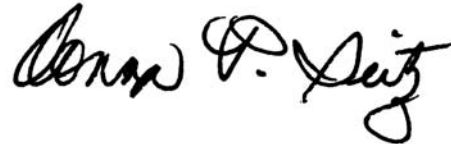
C. Duane Dauner  
California Hospital Association



Catherine K. Douglas  
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California Association of Public  
Hospitals and Health Systems



Donna P. Seitz  
County of Los Angeles

cc: The California Congressional Delegation