

## AMERICA'S HOSPITALS AND HEALTH SYSTEMS

October 2, 2007

The Honorable Eliot Engel  
United States House of Representatives  
2161 Rayburn House Office Building  
Washington, DC 20515

The Honorable Sue Myrick  
United States House of Representatives  
230 Cannon House Office Building  
Washington, DC 20515

Dear Representatives Engel and Myrick:

On behalf of the undersigned hospital organizations that serve the 57 million Americans who rely on the Medicaid program and the nation's nearly 47 million uninsured citizens, we are writing in strong support of H.R. 3533, *The Public and Teaching Hospital Preservation Act*. This important legislation would extend by one year the moratorium on implementation of the Centers for Medicare and Medicaid Services (CMS) final rule relating to the federal-state financial partnership under Medicaid and the State Children's Health Insurance Program (CMS-2258-FC) and the proposed rule regarding graduate medical education payments under Medicaid (CMS-2279-P).

If implemented these rules would undermine the already fragile viability of the nation's health care safety net and jeopardize the ability of safety net hospitals to deliver vital community services and stand ready in the case of a natural disaster or public emergency. The Medicaid payment cuts to graduate medical education would obstruct the ability of teaching hospitals to provide essential services including the education of the next generation of medical professionals despite a shortage of medical professionals around the country.

Other providers as well as the states themselves would be hurt by the rule regarding payments to public providers. Medicaid revenues are a crucial source of funding for nursing homes, intermediate care facilities and school-based clinics. The restrictions on the ability and flexibility of states to support the safety net, by limiting how states finance the Medicaid program, would leave states with significant budget shortfalls that could force them to cut services or impose taxes to make up for the losses.

Thank you for intervening and taking a leadership role in stopping CMS from implementing these devastating Medicaid rules. We look forward to working with you to ensure passage of this crucial legislation.

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  
Premier, Inc.  
VHA Inc.