

United States Senate

November 5, 2021

Dear Colleague:

I write to you today with grave concern that President Joe Biden’s “Build Back Better” plan not only raises taxes on millions of American families and businesses and further fuels our nation’s raging inflation crisis – it also harshly punishes charity hospitals that provide care to those most in need.

Section 30608 of the “Build Back Better” bill put forward by Democrats in the House of Representatives would cut 12.5% from Disproportionate Share Hospital Payments (DSH) and reduce payments from states’ Uncompensated Care Pool (UCP). I want to be very clear: what I have just described are massive cuts to Medicaid, supported by Speaker Pelosi and top House Democrats, squarely targeted at non-expansion states, which you represent.

The table below reflects an estimate from the non-partisan Medicaid and CHIP Payment and Access Commission (MEDPAC), which shows the annual DSH cuts that will occur from these misguided policies.

State	Current Federal DSH (in millions)	Proposed Reduction (in millions)
Alabama	\$385	\$48
Florida	\$251	\$31
Georgia	\$337	\$42
Kansas	\$52	\$6
Mississippi	\$191	\$24
North Carolina	\$370	\$46
South Carolina	\$410	\$51
South Dakota	\$14	\$2
Tennessee	\$53	\$7
Texas	\$1,200	\$150
Wisconsin	\$118	\$15
Wyoming	\$0 ¹	\$0
Total	\$3,381	\$423

Our states will see a cut of over \$4.2 billion in the next decade to charity hospitals whose work is predominately focused on treating the underserved and uninsured.

¹ Wyoming’s DSH is about \$300,000. MACPAC did not make estimates below a million.

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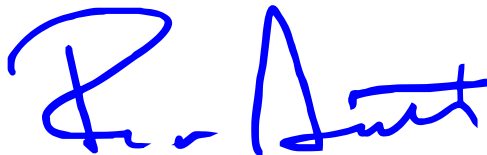
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While House Democrats' proposed reduction to our states' UCP is a harder figure to estimate, it will affect Florida, Kansas, Tennessee and Texas. This funding is typically negotiated between the Centers for Medicare and Medicaid Services (CMS) and the state under a budget-neutral 1115 waiver. To be clear, any cuts to these programs will only serve to hurt charity hospitals providing care to the poorest families.

Making drastic cuts to these valued and incredibly important programs defies reason. House Democrats are choosing to impose needless cuts which would hurt charity hospitals and harm the poor.

I urge you to act now to stop this flawed policy from moving forward and causing immense damage to the states and families we represent.

Sincerely,

A handwritten signature in blue ink, appearing to read "Rick Scott". The signature is stylized with a large initial "R" and a prominent "S".

Rick Scott
United States Senator