

SENATE CONCURRENT RESOLUTION NO. 5

WHEREAS, under federal Medicaid law, states are required to make disproportionate share hospital (DSH) payments to hospitals for providing health care to a vast number of low-income patients in an attempt to make up for financial losses by hospitals that do not receive payment for services rendered to uninsured patients and because Medicaid provider payment rates are far lower than those payments received by private insurance; and

WHEREAS, also under federal Medicaid law, the federal government reimburses states for a portion of the state's Medicaid DSH expenditures based on each state's federal medical assistance percentage and each state receives an annual DSH allotment; and

WHEREAS, Missouri hospitals reported providing \$1.1 billion in uncompensated care to Missourians in 2011; and

WHEREAS, under the Affordable Care Act (ACA) of 2010, states are mandated to expand Medicaid eligibility for persons with incomes up to 133% of the federal poverty level; however, in June 2012, the United States Supreme Court found such mandate impermissible and now allows each state to decide whether to implement such a Medicaid expansion; and

WHEREAS, under the ACA, under the assumption at the time the law passed that all states were to implement the Medicaid expansion, the federal government is required to reduce more than \$22 billion in DSH payments from 2014 to 2022; and

WHEREAS, Missouri is expected to suffer cuts to DSH hospital payments in the amount of \$3.3 billion from 2013 to 2020; and

WHEREAS, the federal cuts to DSH hospital payments are set to occur regardless of whether a state has elected to implement the Medicaid expansion under the ACA - a decision the United States Supreme Court found each state has a right to pursue; and

WHEREAS, Missouri hospitals have reported that it will be an "unsustainable situation for hospitals" to absorb more than \$1 billion annually in uncompensated care while facing \$3.3 billion in cuts:

NOW THEREFORE BE IT RESOLVED that the members of the Missouri Senate, Ninety-seventh General Assembly, First Regular Session, the House of Representatives concurring therein, hereby urge the federal government to continue to reimburse states for a portion of the state's Medicaid DSH expenditures based on each state's federal medical assistance percentage for those states that have chosen not to implement the Medicaid expansion; and

BE IT FURTHER RESOLVED that Governor Nixon work with the federal government to ensure that the reduction to such DSH payments do not occur; and

BE IT FURTHER RESOLVED that the Secretary of the Missouri Senate be instructed to prepare a properly inscribed copy of this resolution for the President of the United States, the President Pro Tempore of the United States Senate, the Speaker of the United States House of Representatives, the Secretary of the federal Department of Health and Human Services, each member of the Missouri Congressional delegation, and Governor Jay Nixon.