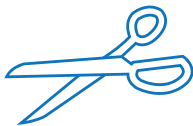


# Supporting Texas Hospitals in **District 27**

**U.S. Rep. Michael Cloud (TX-27)**



Absent a repeal or delay of imminent cuts to Medicaid DSH payments, Texas hospitals will receive an estimated **\$450 million less in state and federal funding in 2020**. These cuts will impact 186 hospitals across the state that serve a disproportionate share of low-income and uninsured individuals.



Texas, however, has not seen reductions in the number of uninsured or hospital uncompensated care costs. **The number of uninsured Texans is increasing**, and Texas leads the nation with the largest number of residents without health insurance.



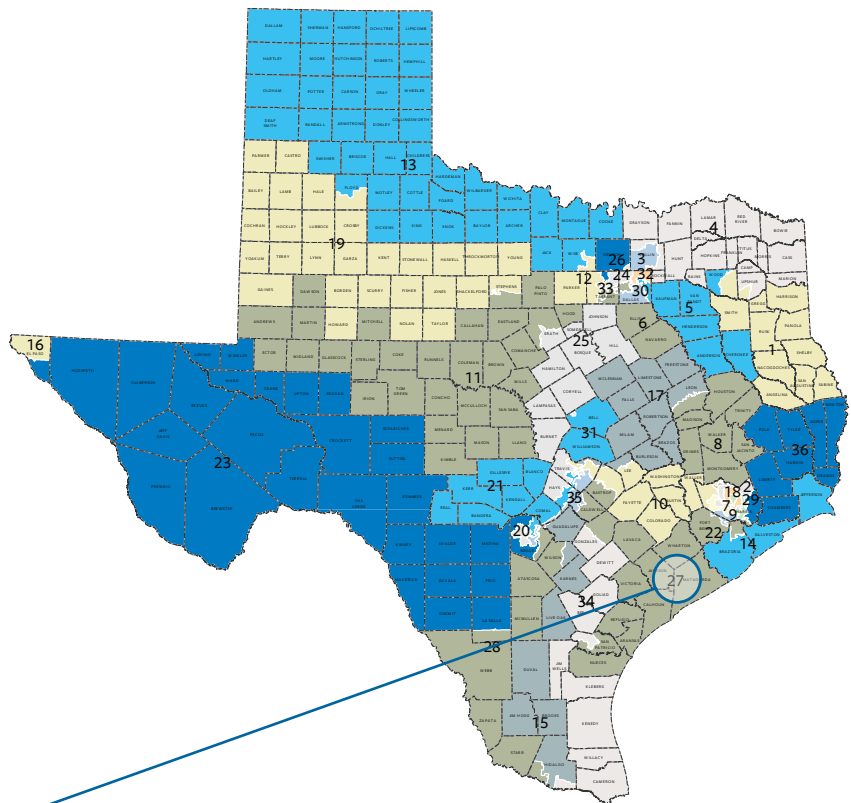
**Congress should permanently repeal Medicaid DSH cuts** or, at a minimum, delay them for at least two years.

Effective Oct. 1, **payments to Texas hospitals will be cut by \$450 million for 2020 because of provisions in the Affordable Care Act that require annual cuts to Medicaid disproportionate share hospital payments.\***

These cuts were scheduled in anticipation of a reduction in the number of residents without health insurance and the amount of uncompensated care hospitals provide. The 2020 loss represents a 23 percent reduction in Texas hospitals' Medicaid DSH payments.

This funding cut is unsustainable when Texas leads the nation with more than 17 percent of its population (4.8 million Texans) lacking health insurance.

Texas hospitals ask Congress to repeal the Medicaid DSH cuts or, at a minimum, delay them for two years.



## **Texas Hospitals' Medicaid DSH Payment Cuts (2020)**

Hospitals in U.S. House District 27: - **\$12.8 million**

Hospitals in Texas: - **\$450 million**

\*Under current law, states' federal DSH allotments will be reduced by \$4 billion in federal fiscal year 2020 and \$8 billion a year in federal fiscal years 2021 to 2025. The Medicaid and CHIP Payment Access Commission estimates Texas' reduction will be \$450 million, or 22.8 percent, in 2020. The exact amount will be determined when CMS publishes its final rule describing its methodology for distributing federal DSH allotment reductions.