

Medicaid DSH Cuts Will Harm Patient Care

District 8: Rep. Morgan Luttrell



Absent Congressional action to address the imminent cuts to Medicaid DSH payments, Texas hospitals will receive an estimated **\$800 million less in state and federal funding in FY 2024**. These cuts will impact roughly 200 DSH hospitals across the state that serve a disproportionate share of low-income and uninsured individuals.



Texas 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.



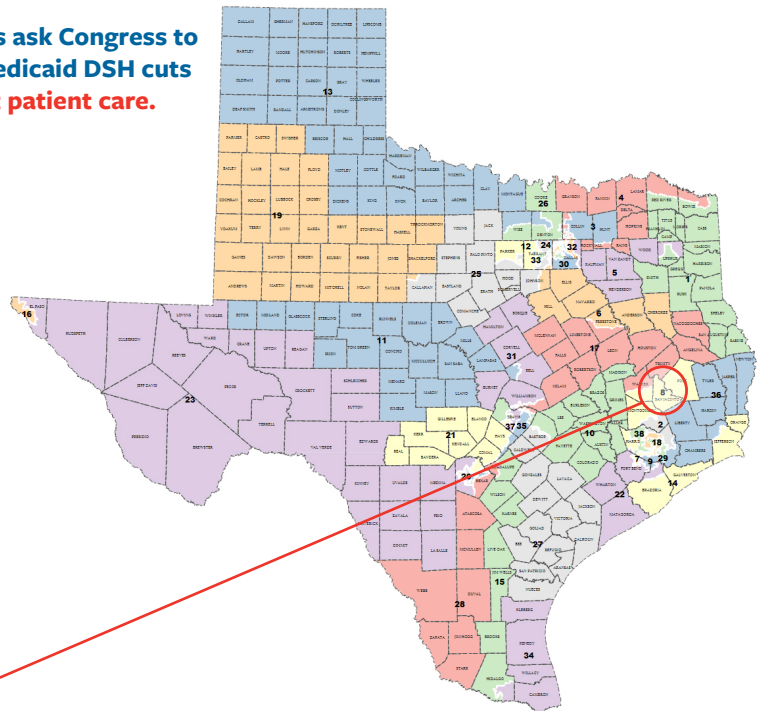
Congress should address the scheduled Medicaid DSH cuts to **protect patients and hospitals**.



Effective Oct. 1, payments to safety net hospitals in Texas will be cut by an estimated \$800 million for FY 2024 because of provisions in the Affordable Care Act that require annual cuts to Medicaid Disproportionate Share (DSH) hospital payments.* These cuts, which are scheduled to occur yearly from FY 2024 to FY 2027, were passed by Congress in anticipation of a reduction in the number of residents without health insurance and the amount of uncompensated care hospitals provide. The FY 2024 loss represents a 37.1% reduction in Texas hospitals' Medicaid DSH payments.

Over the next four years, Texas hospitals will incur over \$3.2 billion in cuts, cumulatively. These funding cuts are unsustainable, especially considering Texas leads the nation with more than 18% of its population (5.2 million Texans) lacking health insurance.

Texas hospitals ask Congress to address the Medicaid DSH cuts to help protect patient care.



District 8 Impact (FY 2024)

Number of DSH Hospitals: 4

Cuts to DSH Hospitals: **\$5,186,759**



Statewide Impact (FY 2024)

Number of DSH Hospitals: 201

Cuts to DSH Hospitals: **\$800 Million**



*Under current law, states' federal DSH allotments will be reduced by \$8 billion a year from FY 2024 to FY 2027. The Medicaid and CHIP Payment Access Commission estimates Texas' reduction will be \$800 million, or 37.1%, in FY 2024. The exact amount will be determined when CMS publishes its final rule describing its methodology for distributing federal DSH allotment reductions.

