



November 19, 2003

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The Honorable William M. Thomas
U.S. House of Representatives
Washington, DC 20515

Dear Representative Thomas:

On behalf of California's 58 counties, I urge you to support the conference agreement for the Medicare Prescription Drug, Improvement, and Modernization Act (HR 1) when it considered by the House in the next few days.

Our understanding is that the conference agreement increases the Medicaid Disproportionate Share Hospital (DSH) program by 16 percent beginning in fiscal year 2004 and maintains that funding boost for a total of five years. This would provide much needed relief for the local entities – select counties, hospital districts, and the University of California – that operate hospitals that serve a high proportion of uninsured and Medicaid patients.

Because of the drop in our state's allotment for fiscal year 2003 the California DSH program has already suffered an estimated \$184 million loss, placing additional financial pressure on the state's already strained health care safety net, including many county-owned hospitals. Without the relief contained in HR 1, the ability of our state's hospitals to provide health services for the uninsured and emergency and trauma care for the entire community would continue to be severely compromised.

Again, we respectfully urge you to support the HR 1 conference agreement on the House floor in the coming days. Thank you for your attention to this matter.

Sincerely,

Steven C. Szalay
Executive Director