



**American Hospital
Association**

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**STATEMENT ON PRESIDENT OBAMA'S DEBT REDUCTION PROPOSAL TO THE
JOINT SELECT COMMITTEE ON DEFICIT REDUCTION**

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President Obama's proposal will make it harder for America's seniors to receive the care they need and will result in the loss of jobs in communities across the nation. Today's plan to cut Medicare and Medicaid funding would translate into at least 200,000 job losses to hospitals and the businesses they support by 2021. This is the wrong prescription to create a healthier America and sustain job growth in a sector of the economy that is actually adding jobs.

Further funding cuts would mean decreased access to care for our nation's seniors and could overload emergency rooms, shut down trauma units and reduce patient access to the latest treatments. Hospitals already face significant reductions in Medicare and Medicaid, which both pay hospitals on average less than the cost of providing care. Further reductions would exacerbate this problem.

Today's proposal would jeopardize the ability of hospitals to train the next generation of physicians by reducing funding for teaching hospitals and harm care for the poor and people in rural communities by reducing rural hospital funding. America's hospitals are also concerned with limits on provider assessments under Medicaid, which are used by most states to help

finance their Medicaid programs. Curtailing this option will result in less funding, jeopardizing services to the poor and disabled people.

Local economies will also suffer from further cuts in funding for hospital care. Hospitals created 8,000 new jobs last month, at a time when there was zero growth in overall U.S. job creation. The value of each of those jobs triples with the goods and services hospitals purchase.

Hospitals recognize that federal health programs must be modernized to address the needs of a changing America, but it cannot be done on the backs of providers who care for our nation's most vulnerable – or thwart job creation. We look forward to working with the President and the Joint Select Committee to ensure patients' access to the hospital care they need.

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