



Statement

February 8, 2010 4:30 p.m. CT
Craig A. Becker, President and Chief Executive Officer
Tennessee Hospital Association

The Tennessee Hospital Association (THA) board of directors today acted to help fill a \$540 million gap in hospital reimbursement created by TennCare cuts scheduled to take effect on July 1, 2010.

The THA board voted to recommend a one-year *Coverage Fee* that would be paid by hospitals in the state. However the THA board sought to send a clear message that Medicaid funding is the state's responsibility and while hospitals will take care of patients as they always have, it is clearly the state's responsibility to fund TennCare.

The purpose of the *Coverage Fee* is to prevent a potentially catastrophic impact the cuts would have on hospitals, patients, and communities all across the state. The fee would not be passed on to consumers, but would be utilized to draw down additional federal dollars for the TennCare program.

Details of the fee have not yet been fully determined. At least 26 other states have a version of this funding mechanism in place.

In addition to endorsing the *Coverage Fee*, THA's board called on state leaders to utilize any available dollars, including reserve funds, surplus and unused federal Medicaid stimulus dollars, to help close the \$540 million gap that would be created by the absence of state funding and the federal matching funds it would draw down.

In the most recently reported year, Tennessee's hospitals provided more than \$2 billion (cost) in uncompensated care. If the proposed cuts were realized, Tennessee hospitals would be directly funding 54% of the total cost of hospital services for TennCare enrollees, more than the state and federal government combined.

For Additional Information Contact:

Phil Martin 615-268-8000 (mobile)
Craig A. Becker 615-401-7431 (office)
Beth Atwood 615-256-8240 (office)