

May 11, 2005

The Honorable Bob Taft
Governor, State of Ohio
The Riffe Center
77 South High Street, 30th Floor
Columbus, Ohio 43215

Dear Governor Taft:

On behalf of Ohio's 170 community hospitals, the Ohio Hospital Association (OHA) has great concerns with efforts by the Ohio Department of Job and Family Services (ODJFS) to recalibrate Medicaid inpatient DRG weights, which would reduce inpatient Medicaid payments to Ohio hospitals by over \$66 million per year. Those projected losses coupled with the proposed freeze on Medicaid inpatient payments rates for two years would be catastrophic to the Ohio hospital community, and all Ohioans.

OHA and its member hospitals are prepared to support a recalibration of the Medicaid DRG weights, but only on a budget-neutral basis. The association also advocates that Medicaid inpatient rates be increased on Jan. 1, 2007, to reflect the increase in Medicaid prices ensuring hospitals' financial strength and viability.

On behalf of the OHA Board of Trustees and its member hospitals, OHA requests you instruct ODJFS to discontinue its efforts to reduce Medicaid inpatient payments by over \$66 million and support OHA's efforts to obtain an inflationary update on Jan. 1, 2007. Enclosed is a copy of a resolution adopted by the OHA Board of Trustees that clarifies the Board's position on both of these important issues.

Thank you for your consideration.

Sincerely,

James R. Castle
President & CEO

JRC:dw
Enclosure

cc: Senator Bill Harris, President, Ohio Senate
Senate Finance Committee
Brian Perera, Finance Director, Senate Republican Caucus
Barbara Riley, Director, ODJFS
Barbara Edwards, Deputy Director, ODJFS
OHA Board of Trustees