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January 29, 2001

The Honorable Edward J. Markey
United States House of Representatives
2108 Rayburn House Office Building
Washington, D.C. 20515

Dear Congressman Markey:

Thank you for your January 12, 2001 letter expressing concern for the financial health of our Commonwealth's community hospitals. As you know, I, too, have deep concerns about the future of our community hospitals. After much discussion with representatives of the Massachusetts Hospital Association and others, in fact, I have been so moved by that concern that I am proposing a significant package of relief for our hospitals and other health care providers. That plan will give hospitals an additional $250 million over the next eighteen months – relief they need to help them continue providing vital services to our citizens without regard to their ability to pay.

As you may know, we are awaiting the results of an independent analysis of the rates and methodologies used in our state Medicaid program to determine hospital payments. That study will help us determine appropriate changes as we move forward.

In the meantime, I urge you to continue working diligently to restore more of the Medicare funding cut disproportionately from our Massachusetts hospitals in the Balanced Budget Act of 1997. I applaud your efforts to date, but further federal action on this issue is imperative. Only by working together and in collaboration with private payers will we ensure that our hospitals have a payer mix that allows them to support their operations on an ongoing basis.

Sincerely,

Argeo Paul Cellucci