

December 9, 2016

Eric Greitens
Missouri Governor-Elect
301 West High Street, Room 870A
Jefferson City, MO 65101

Representative Todd Richardson
Speaker of the House of Representatives
Missouri State Capitol
201 West Capitol Avenue
Jefferson City, MO 65101-1556

Senator Ron Richard
Senate President Pro Tem
Missouri State Capitol
201 West Capitol Avenue
Jefferson City, MO 65101-1556

Dear Governor-Elect Greitens, Speaker Richardson and Senate President Pro Tem Richard:

Congratulations on your historic victories. As you prepare for the next legislative session, I wanted to let you know that the Missouri Hospital Association stands ready collaborate with you and your colleagues on the Medicaid budget challenges the state will be facing for fiscal year 2018.

As you know, Missouri's hospitals have worked tirelessly with executive branch officials and lawmakers to address the financing of the Medicaid program. More than 20 years ago, hospitals, working with then-Governor John Ashcroft and the General Assembly successfully enacted an innovative program to finance the state's Medicaid hospital expenditures. Over the past two decades, the Federal Reimbursement Allowance has offset the state's need for billions in General Revenue, allowing those General Revenue funds to support other state priorities. For the last completed state fiscal year, the direct hospital appropriation line in the state budget included \$1.6 million in General Revenue. This is 28/100 of one percent of that line's total appropriation.

With hospitals in every corner of the state — many with rich histories and deep roots dating back more than a century — we stand ready to once again work with the state to find new and better ways to finance and deliver high-quality care to the state's Medicaid beneficiaries. As the new session begins, we pledge to be your active partners as you seek innovative state health care solutions.

Sincerely,



Herb B. Kuhn
President and CEO

hbk/djb