

AMERICA'S HOSPITALS AND HEALTH SYSTEMS

May 27, 2015

The Honorable Paul Ryan
Chairman
Committee on Ways and Means
U.S. House of Representatives
1102 Longworth House Office Building
Washington, DC 20515

The Honorable Sander Levin
Ranking Member
Committee on Ways and Means
U.S. House of Representatives
1102 Longworth House Office Building
Washington, DC 20515

Dear Chairman Ryan and Ranking Member Levin:

As organizations representing hospitals and health systems across the country, we write in strong opposition to H.R. 2513, the so-called Promoting Access, Competition, and Equity Act of 2015.

H.R. 2513 is not a compromise. It would vacate the law, potentially destabilizing those hospitals that provide care to all who come through their doors. Further, because many physician-owned hospitals often rely on 911 when emergencies arise, as identified by the Department of Health and Human Services (HHS) Office of Inspector General, H.R. 2513 raises numerous patient safety concerns. In addition, this legislation would invariably lead to an increased burden on taxpayers and employers, which is why the U.S. Chamber of Commerce has long expressed opposition to weakening current law.

These arrangements have been studied for more than 15 years by Congress, HHS, the Government Accountability Office and the Medicare Payment Advisory Commission. The data is clear. Self-referral to physician-owned hospitals leads to cherry-picking of higher margin and healthier patients, as well as higher utilization of health care services that leads to higher costs for taxpayers and employers.

H.R. 2513 would result in additional gaming of the Medicare program, jeopardize patient access to emergency care, potentially harm sicker and lower-income patients and damage the safety-net provided by full-service hospitals. By steering their most profitable cases to facilities they own, physician-owners inflate health care costs and drain essential resources from community hospitals, which depend on a balance of services and patients to provide indispensable treatment, such as behavioral health and trauma care.

Since the bipartisan Medicare Modernization Act of 2003, Congress has supported ending these egregious and costly arrangements. However, H.R. 2513 would allow countless new arrangements of this type to proliferate. This would be a giant step backwards for patients, taxpayers, employers and community hospitals.

For these reasons, we urge you to oppose H.R. 2513.

Sincerely,

America's Essential Hospitals
American Hospital Association
Association of American Medical Colleges
Catholic Health Association of the United States
Children's Hospital Association
Federation of American Hospitals
Premier healthcare alliance
VHA Inc.