American Hospital Association®

Maintaining Essential Resources

Hospitals offer a lifeline to our nation's most vulnerable populations – the uninsured, the poor, the elderly and the disabled. But a host of factors are threatening hospitals' ability to continue to provide the essential services on which these populations rely. Delays in health coverage related to the Supreme Court's decision on Medicaid expansion mean that hospitals continue to provide billions of dollars in care for which they receive no payment – $46 billion in 2013. And government programs continue to pay less than the cost of providing services to their beneficiaries – underpayment by Medicare and Medicaid to hospitals was $51 billion in 2013 alone.

At the same time, hospitals are grappling with the enormous costs of implementing electronic health records and other technology to improve care, redesigning care processes and providing access to the kinds of cutting-edge treatments patients expect. And they are seeing reimbursement from Medicare further reduced by onerous, and sometimes conflicting programs. All while being second-guessed at every turn by overzealous auditors who are incentivized by a contingency fee structure to deny claims for care. Hospitals need stability and a predictable revenue stream to continue to improve and transform care.

Medicare and Medicaid payments for hospital care continue to be attractive targets for savings in times of fiscal crisis. America's hospitals urge Congress to reject further cuts to Medicare and Medicaid funding for hospital care and support real solutions as Congress looks for ways to reduce spending. Specifically, we urge Congress to reject:

- Reductions to payments for hospital outpatient department care;
- Site-neutral payment policies for inpatient rehabilitation facilities and skilled-nursing facilities for certain services;
- Reductions in payments to hospitals for assistance to low-income Medicare beneficiaries (bad debt);
- Reductions to payments for graduate medical education;
- Restrictions in Medicaid provider assessments;
- Reductions to rural hospital programs, including critical access hospitals;
- Reductions to funding for hospital preparedness and response;
- Changes to the existing prohibitions on physician self-referral to physician-owned hospitals; and
- Harmful restrictions on the 340B Drug Pricing Program.