

November 3, 2004

Dear Member of Congress:

As you begin to craft a final Fiscal Year (FY) 2005 appropriations measure for the Departments of Labor, Health and Human Services, Education and Related Agencies (Labor/HHS), I would like to share with you the American Hospital Association's (AHA) view regarding several significant issues.

The AHA recognizes the challenge facing Congress in allocating the limited funds that are available for many worthwhile discretionary programs. However, we hope that you will be able to continue your strong commitment to the following health care programs that have proven important in ensuring access to quality health care.

- **Rehabilitation Hospitals** – The House Labor/HHS spending bill includes language on the so-called “75 percent rule” for Inpatient Rehabilitation Facilities. The language was inserted to address concerns expressed by 241 House members who signaled their desire to see the rule studied and appropriately modernized. At the same time, the Senate Appropriations Committee version of the Labor/HHS appropriations bill includes similar language reflecting the wishes of 82 Senators. The AHA appreciates the work the House has done on this issue. However, we urge members to adopt the Senate language. Although the House bill addresses the need for a study, the Senate language asks for an in-depth, independent, and more clinically focused analysis by the Institutes of Medicine (IOM). In addition, the Senate language provides a moratorium until after the IOM has studied the issue. In light of these factors, the AHA strongly urges Congress to adopt the Senate-drafted provisions on the “75 percent rule” relating to inpatient rehabilitation services.
- **Nursing Workforce** – The United State faces a nursing shortage of critical proportions. The Department of Labor has projected that by 2012, our country will need to fill more than 1.1 million registered nurse jobs in order to accommodate growing patient needs and to replace retiring nurses. To address the nursing shortage, Congress, in 2002, passed the Nurse Reinvestment Act (P.L. 107-205) with overwhelming bipartisan support. The Nurse Reinvestment Act builds on the existing Title VIII nursing education programs, providing loan



repayment for students, and expanding opportunities for nursing education at all levels. Because an adequate supply and mix of skilled nurses will be needed in the forthcoming years to provide care to patients, the AHA urges you to support \$161.8 million as assumed by the Senate Appropriations Committee.

- **Rural Health Care** – The AHA strongly supports efforts by Congress to increase the availability of health care in rural communities. **Rural Hospital Flexibility Grants** are designed to assist small, at-risk rural hospitals in maintaining access to care by enabling them to convert to Critical Access Hospitals. The program also provides modest support to assist these small hospitals to automate and comply with confidentiality requirements. In addition, **Rural Outreach Grants** support projects that provide health services to rural populations not currently receiving them. Finally, **Rural Health Policy Development** supports rural health research centers and the Secretary's rural initiative. The AHA urges funding of \$39.5 million, \$39.6 million, and \$8.9 million for the Rural Hospital Flexibility Grants, Rural Outreach Grants, and Rural Health Policy Development, respectively.
- **Access to Health Care** – The AHA strongly supports efforts to expand access to health care. More than 42 million Americans are uninsured and at least 48 million do not have regular access to health care. The Community Access Program (CAP) was designed to assist communities and consortia of health care providers to develop the infrastructure necessary for integrated health systems that coordinate health services for the uninsured and underinsured. The AHA strongly supports the Senate provision that funds this program at \$87 million for FY 2005.
- **Maternal-Child Health Block Grant (MCHBG)** – The AHA urges Congress to fund the MCHBG program at \$734.8 million, the amount recommended by the Senate Appropriations Committee. The MCHBG program provides health care services to over 80 percent of infants, 50 percent of pregnant women, and 20 percent of children in the U.S.
- **Information Technology** – In its FY 2005 budget request, the administration requested \$50 million for the Agency for Healthcare Quality Research and \$50 million for the Office of the National Coordinator for Health Information Technology. These funds support projects that are essential to ensure that the health care field will embrace information technology, thus improving the quality of care and operating efficiencies. The House bill funds these programs at \$75 million; the Senate has eliminated funding for the programs. The AHA supports restoring funds for these important programs to the administration's FY 2005 budget request.
- **General Industry Respiratory Protection Standard (GIRPS)** – The AHA strongly urges Congress to retain language in the House Labor/HHS measure that prohibits the Occupational Safety and Health Administration (OSHA) from enforcing GIRPS as it applies to occupational exposure to tuberculosis in

hospitals. Personal respiratory protections have been in place in health care facilities for more than 10 years, as recommended by the Centers for Disease Control and Prevention (CDC). Additional regulation as reflected in the GIRPS is redundant, costly and unnecessary.

- **User Fees for Medicare Claims** – The House Labor/HHS appropriations measure includes a provision to permit the Centers for Medicare and Medicaid Services to charge providers who forward duplicate or unprocessable Medicare claims \$2.50 per claim. The AHA strongly urges you to reject this provision. A majority of hospitals filing claims through the Medicare program do so electronically. The few who file paper claims, however, do so because it is the most cost effective and efficient way to submit them. In addition, sometimes the fiscal intermediary who processes a claim may lose a claim or request that the hospital resubmit a claim. Hospitals should not be penalized for continuing to submit paper claims when it is more efficient and cost-effective. Likewise, hospitals should not be held liable for mistakes of the intermediary that might cause claims to be classified as “unprocessable.”
- **Bioterrorism Preparedness** –The tragic events of September 11, 2001, the subsequent anthrax scare, and the ricin threats in our nation’s capitol have shown us that hospitals must be ready to respond to any type of disaster or emergency. The National Bioterrorism Hospital Preparedness program helps states, territories and municipalities develop and implement biological and chemical preparedness plans, which are designed to enhance our hospitals’ capacity to deal with any nuclear, biological, or chemical attack. The AHA urges Congress to adopt the House-recommended level of \$514 million for hospital bioterrorism activities.

The AHA recognizes that members of Congress have a particularly difficult job this year in determining levels of funding for many worthwhile discretionary programs. We appreciate the support you have given to health care programs over the years and hope that you will continue to ensure the availability of health care to our patients by accepting AHA recommendations on these important initiatives.

Sincerely,



Rick Pollack  
Executive Vice President