



**American Hospital
Association**

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June 21, 2007

The Honorable Pat Roberts
United States Senate
109 Hart Senate Office Building
Washington, DC 20510

The Honorable Kent Conrad
United States Senate
530 Hart Senate Office Building
Washington, DC 20510

Dear Senator Roberts:

Dear Senator Conrad:

On behalf of our 5,000 member hospitals, health systems and other health care organizations, and our 37,000 individual members, the American Hospital Association (AHA) is pleased to support *The Craig Thomas Rural Hospital and Provider Equity Act of 2007* (R-HoPE) and applauds your commitment to America's rural health care providers.

This legislation would extend critical rural provisions that are set to expire and implement new provisions that would benefit rural hospitals. Among the expiring provisions are the outpatient hold harmless for rural hospitals with fewer than 100 beds and sole community hospitals, the 5 percent rural add-on for home health services, and the grandfather clause allowing direct payments to independent laboratories for the technical component of pathology services. Rural hospitals and health care providers are often the backbone of their communities, and it is essential these expiring programs be extended to ensure that rural providers can continue to provide high-quality care to their patients.

Your legislation also takes the important step of putting forward new provisions that are vital to rural and critical access hospitals (CAH), including: cost-reimbursement for outpatient CAH laboratory services, regardless of where the patient is physically located; removal of the cap on disproportionate share adjustment percentages for all hospitals; and improvements in payments for ambulance services in rural areas.

The AHA supports extension of Section 508 of the *Medicare Modernization Act of 2003* (MMA) to allow Medicare wage index reclassification in a non-budget neutral way. Your legislation extends this provision to rural hospitals only. We would like to see this extension apply to all hospitals, as originally provided in the MMA.



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Again, we are pleased to support this legislation and look forward to working with you and your colleagues to achieve passage of this bill.

Sincerely,

Rick Pollack
Executive Vice President