

President

Russell L. Holman, MD
Nashville, TN

July 17, 2007

President-Elect

Patrick J. Cawley, MD
Charleston, SC

Leslie Norwalk, Esq.
Acting Administrator
Centers for Medicare & Medicare Services
200 Independence Avenue, SW
Washington, DC 20510

Treasurer

Jack M. Percelay, MD, MPH
New York, NY

Secretary

Stacy Walton Goldsholl, MD
Wilmington, NC

Dear Ms. Norwalk:

Immediate Past President

Mary Jo Gorman, MD, MBA
St. Louis, MO

On behalf of the Society of Hospital Medicine, I write to express our opposition to two provisions in the fiscal year 2008 Medicare inpatient prospective payment system proposed rule that together would cut Medicare payment for hospital services by nearly \$25 billion over five years.

Board of Directors

Alpesh N. Amin, MD, MBA
Irvine, CA

The first provision would reduce hospital payments by 2.4 percent in 2008 and 2009 based on the flawed assumption that hospitals will adjust their coding practices to receive higher payments as a result of proposed changes in the payment system designed to account more fully for patients' severity of illness. This proposed "behavioral offset" will cut \$24 billion over five years from payments to hospitals.

William D. Atchley, MD
Norfolk, VA

Scott Flanders, MD
Ann Arbor, MI

Mahalakshmi Halasyamani, MD
Ann Arbor, MI

Lisa S. Kettering, MD
Denver, CO

Joseph Ming Wah Li, MD
Boston, MA

The second proposal would reduce capital payments to hospitals in urban areas by nearly \$1 billion over the next five years.

Jeffrey Wiese, MD
New Orleans, LA

SHM represents nearly 6,000 hospitalists—physicians whose primary professional focus is the general medical care of hospitalized patients. We are concerned that these two provisions would severely restrict beneficiary access to critical hospital services and urge you to eliminate them from the final regulation.

Editors

Journal of Hospital Medicine
Mark V. Williams, MD
Chicago, IL

Sincerely,

The Hospitalist

Jeffrey J. Glasheen, MD
Denver, CO



Russell Holman, MD
President

Chief Executive Officer

Laurence D. Wellikson, MD
Dana Point, CA