



July 26, 2007

The Honorable Michael Leavitt
Secretary, U.S. Department of Health and Human Services
200 Independence Avenue, SW
Washington, D.C. 20201

Dear Secretary Leavitt:

On behalf of the Denver Metro Chamber of Commerce, we write to express our opposition to two provisions in the Centers for Medicare and Medicaid Services' (CMS) proposed regulation of the inpatient prospective payment system (IPPS). We respectfully request that you eliminate both provisions when the final IPPS regulation is published next month.

The Denver Metro Chamber represents approximately 3,000 businesses of all sizes – with an employee force of 300,000 – across the entire metropolitan region and state of Colorado. As providers and payers of benefits, our members identify health care cost, access, coverage and quality as issues of critical importance to their business and their employees.

It is our understanding that the two CMS proposals could jeopardize beneficiary access to critical hospital services, and could stifle hospital investment in technology. Colorado hospitals could lose more than \$23 million in funding in fiscal year 2008 if the IPPS regulation goes forward. The first provision would cut Medicare-related operating and capital inpatient payments by 2.4 percent for fiscal year 2008. CMS based this proposed cut on the assumption that hospitals will alter coding practices in response to the new coding system, although it is not known what the actual cost offset may, or may not, be.

The second proposal would reduce payments to Colorado hospitals in urban areas for capital related costs for inpatient services by nearly \$1 million. We believe that the impact of these cuts may prevent our local hospitals from making long-term capital investments. Strategic investment in advanced medical technology and enhanced health information systems can improve health outcomes, reduce errors and ultimately lower the cost of health care through better coordination – particularly in the case of chronic disease management.

We are concerned that payment reductions like these in public programs will lead to increased costs in the private sector. With health care costs as the number one issue of concern for our members, cost-shifting, which drives up the price of private health care and hinders businesses' ability to offer health care benefits to employees, is of serious importance.

Again, the Denver Metro Chamber of Commerce respectfully requests that you eliminate both CMS provisions. For more information, please call Tamra Ward, Vice President of Public Affairs and Communications at 303-620-8033. Thank you for your consideration.

Best regards,

A blue ink signature of Rob Cohen, written in a cursive style.

Rob Cohen
Chairman of the Board

A black ink signature of Joseph B. Blake, written in a cursive style.

Joseph B. Blake
President and CEO

cc: Colorado Congressional Delegation