



**American Hospital
Association**

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October 8, 2007

Kerry Weems
Acting Administrator
Centers for Medicare & Medicaid Services
Hubert H. Humphrey Building
200 Independence Avenue, SW, Room 314G
Washington, DC 20201

Dear Mr. Weems:

On behalf of our nearly 5,000 member hospitals, health systems and other health care organizations, the American Hospital Association (AHA) wishes to express disappointment with the way the Centers for Medicare & Medicaid Services (CMS) notified hospitals of their failure to meet the inpatient pay-for-reporting program requirements for the fiscal year (FY) 2008 annual payment update. These hospitals will lose two percentage points from their FY 2008 annual payment update, yet they were not notified of this significant financial decision until the last business day prior to the start of the new fiscal year. This late notification is unreasonable and made it impossible for these hospitals to plan and budget accordingly for FY 2008. Hospitals need to be told this information as soon as possible to enable them to plan for the upcoming fiscal year. In the future, we urge CMS to convey this information to hospitals as soon as possible, but no later than September 15.

In addition to the late notification, we are dismayed that affected hospitals were notified of CMS' decision on the same day that the information was released to the public. This is unacceptable. Hospitals deserve a fair opportunity to react to this information before it is made public.

The AHA is willing to work with CMS to make the notification process proceed in a timelier manner next year. Should you have any questions, please contact me or Nancy Foster, vice president for quality and patient safety, at (202) 626-2337 or nfoster@aha.org.

Sincerely,

Rick Pollack
Executive Vice President

