The Honorable Nancy Pelosi  
Speaker  
U.S. House of Representatives  
H-232 U.S. Capitol  
Washington, DC 20515  

Dear Speaker Pelosi:

We write today to ask for your consideration and support for inclusion of a provision passed in the Children’s Health and Medicare Protection Act (H.R. 3162) in this year’s Medicare bill. Section 651 would have prohibited Medicare and Medicaid funds from supporting self-referral to physician-owned hospitals. We are united in the belief that this fiscally responsible provision is critical to the continued viability of full service community hospitals and the quality of health care provided to patients.

Self-referral to physician-owned hospitals encourages the selection of healthier, less complex, and insured patients for higher reimbursement. Consequently, this shifts patient care away from full service community hospitals and harms the safety net for more vulnerable populations. The end result threatens patient safety, limits access to care, promotes overutilization, and further erodes the Medicare Trust Fund. CBO recognized how self-referral affects patient care and Medicare reimbursement in its estimate last year. Enactment of Section 651 would lead to significant cost savings of $700 million over five years and nearly $3 billion over 10 years.

We believe that providers should be encouraged and incentivized to continually innovate and discover new ways to improve the quality and delivery of health care. Self-referral, however, is a false short cut. Numerous independent and government studies show that physician ownership and self-referral does not lead to improved outcomes. For example, the Department of Health and Human Service’s Office of Inspector General’s recent report found that specialty hospitals are ill-equipped to handle emergencies, often relying on local EMS to transport their own patients to nearby emergency departments. These ongoing problems can lead to unsafe, life-threatening care in physician-owned specialty hospitals.

We commend your leadership and the work of Chairman Rangel, Chairman Stark, Chairman Dingell, and Chairman Pallone in advancing this critical provision in the CHAMP Act last year. Section 651 will take effective and long overdue action to address the clear and present dangers of self-referral to physician-owned hospitals. We stand ready to work with you to help enact this provision into law. Thank you for your attention to and consideration of this request.

Sincerely,

Jason Altmire  
Member of Congress  

Ron Klein  
Member of Congress
Michael Arcuri  
Member of Congress

Betty Sutton  
Member of Congress

Carol Shea-Porter  
Member of Congress

John Sarbanes  
Member of Congress

Nancy Boyda  
Member of Congress

John Yarmuth  
Member of Congress

Keith Ellison  
Member of Congress

Gabrielle Giffords  
Member of Congress

Charles Wilson  
Member of Congress

Zachary Space  
Member of Congress

Brad Ellsworth  
Member of Congress

Vvette Clarke  
Member of Congress

Steve Cohen  
Member of Congress

cc:  
The Honorable Steny Hoyer, Majority Leader  
The Honorable James Clyburn, Majority Whip  
The Honorable Rahm Emanuel, Democratic Caucus  
The Honorable Charles Rangel, Chairman, Ways and Means  
The Honorable Pete Stark, Chairman, Health Subcommittee  
The Honorable John Dingell, Chairman, Energy and Commerce  
The Honorable Frank Pallone, Chairman, Health Subcommittee