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September 15, 2009

The Honorable Jim McDermott
United States House of Representatives
1035 Longworth House Office Building
Washington, D.C. 20515

Dear Representative McDermott:

On behalf of the American Hospital Association's (AHA) more than 5,000 member hospitals, health systems and other health care organizations, and our 40,000 individual members, I am writing in support of your proposed amendment to H.R. 3200, to establish a process for hospitals to report Medicare overpayments under the Stark law.

Your amendment would provide necessary clarification to hospitals that face uncertainty over how to comply with existing requirements under the Stark law. Unlike the Office of Inspector General and the Department of Justice, which accept voluntary disclosures in cases of fraud or kickbacks, the Centers for Medicare & Medicaid Services (CMS) has no mechanism to receive, evaluate and adjudicate voluntarily disclosed Stark violations and, importantly, no procedure for adjudicating or compromising Stark law overpayments. This is a particularly significant problem because many Stark law violations do not involve fraud or a kickback.

Under your proposal CMS will have the authority to accept and adjudicate overpayment disclosures from hospitals and others that have received overpayments that do not involve fraud. The ability to make Stark law disclosures is important to enable hospitals to do the right thing and a formal vehicle is essential to assure certainty of outcome. Given the complexity of the law and applicable regulations, this authority is particularly important.

The AHA appreciates your continued strong advocacy on behalf of hospitals and supports your efforts to create a pathway for hospitals to report, and authority for the Secretary to compromise on, Stark law violations.

Sincerely,

Rick Pollack
Executive Vice President

