



**American Hospital  
Association**

**Richard J. Umbdenstock**  
President and  
Chief Executive Officer

Liberty Place, Suite 700  
325 Seventh Street, NW  
Washington, DC 20004-2802  
(202) 626-2363 Phone  
[www.aha.org](http://www.aha.org)

December 20, 2009

Honorable Harry Reid  
Majority Leader  
United States Senate  
S-221 Capitol Building  
Washington D.C. 20510

Dear Senator Reid:

On behalf of the 5,000 members of the American Hospital Association (AHA), I am writing to express our support for passage of H.R. 3590, the Patient Protection and Affordable Care Act. We look forward to working with you as the bill continues to move through the legislative process.

As hospitals, our goal is to ensure universal coverage for health care services. Like you, we believe that goal is achievable, and your bill moves the nation closer to that goal. We strongly support your approach to increasing competition in the insurance market and providing more choices to patients, utilizing non-governmental, non-profit entities to provide coverage, and rejecting a further expansion of public programs that do not compensate adequately for the cost of care. We appreciate your continued support in addressing the issue of physician self-referral. We agree that graduate medical education (GME) should not be subjected to any reductions in recognition of the country's physician workforce needs. In addition, your legislation encourages meaningful delivery system reform, including a thoughtful approach on bundling of physician, hospital, and post-acute services, and allowing hospitals to take a leadership role in Accountable Care Organizations (ACOs). Lastly, we appreciate your expansion of the 340B program for both inpatient and outpatient care.

At the same time, we have concerns about a number of provisions in the legislation. In order to continue to provide high quality health care to the patients we serve, reductions must be linked to the level of coverage achieved. We would like to work with you in conference to either increase



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the level of coverage or lower the overall payment reductions to hospitals, particularly in the Medicare and Medicaid DSH programs, and the Medicare hospital update. Your policy and reductions related to hospital readmissions are problematic, and may penalize hospitals for readmissions that are unavoidable.

We look forward to working with you on these and other items in support of our mutual efforts to achieve universal coverage.

Sincerely,

A handwritten signature in black ink, appearing to read "Rich Umbdenstock". The signature is written in a cursive, flowing style.

Rich Umbdenstock  
President and CEO