

America's Hospitals and Health Systems

May 26, 2010

Dear Member of Congress:

On behalf of the membership of the undersigned hospital organizations, we are writing to express our opposition to Section 525 of H.R. 4213, the "American Jobs and Closing Tax Loopholes Act of 2010." We ask that this provision be removed from the underlying legislation.

This provision would change the so-called Medicare "72 Hour Rule." As of the date of enactment, this provision would prohibit hospitals from retrospectively billing to unbundle payments for therapeutic services provided prior to date of enactment of the legislation if they were performed within 72 hours of a hospital admission and were unrelated to that admission. In their review process, Recovery Audit Contractors (RACs) informed hospitals that these payments were in fact available to them. This message was reinforced by CMS at its March 4, 2010, Hospital Open Door Call. This provision would take away the option for hospitals to bill retrospectively for these services, unless they had already done so by date of enactment. In addition, the provision would allow the Secretary to redefine "unrelated," presumably in a more narrow way that would require hospitals to bundle more services than currently.

The Congressional Budget Office has estimated that this provision would save over \$4 billion dollars in reduced payments to hospitals. On top of hospital reductions of \$155 billion included in the recently passed health reform bill, and an additional reduction of \$3.7 billion being proposed by the Centers for Medicare and Medicaid Services for FY 2011 alone, we believe such additional savings from hospitals are unfair and unwarranted.

We therefore ask that you oppose the inclusion of Section 525 in H.R. 4213.

Sincerely,

American Hospital Association
Association of American Medical Colleges
Catholic Health Association of the United States
Federation of American Hospitals
National Association of Public Hospitals and Health Systems