



American Hospital
Association®

800 10th Street, NW
Two CityCenter, Suite 400
Washington, DC 20001-4956
(202) 638-1100 Phone
www.aha.org

May 26, 2015

The Honorable Paul Ryan
Chairman
Committee on Ways and Means
U.S. House of Representatives
1102 Longworth House Office Building
Washington, DC 20515

The Honorable Sander Levin
Ranking Member
Committee on Ways and Means
U.S. House of Representatives
1102 Longworth House Office Building
Washington, DC 20515

Dear Chairman Ryan and Ranking Member Levin:

On behalf of our nearly 5,000 member hospitals, health systems and other health care organizations, **the American Hospital Association (AHA) adamantly opposes H.R. 2513, the so-called Promoting Access, Competition, and Equity Act of 2015, misguided legislation that would promote neither access nor competition. We urge you to reject it and all other attempts to skew the health care marketplace in favor of physicians who self-refer patients to hospitals they own.**

H.R. 2513 is bad policy that would result in additional gaming of the Medicare program, jeopardize patient access to emergency care, potentially harm sicker and lower-income patients, and damage the safety-net provided by full-service hospitals.

Physician self-referral is the antithesis of competition. It allows physicians to steer their most profitable cases to facilities they own – facilities that often call 9-1-1 to handle their emergencies and are frequently located in the most affluent areas. By cherry-picking the highest-paying procedures, physician-owners inflate health care costs and drain essential resources from community hospitals, which depend on a balance of services and patients to provide indispensable treatment, such as behavioral health and trauma care. By increasing the presence of these self-referral arrangements, H.R. 2513 would only further destabilize community care.

H.R. 2513 would:

- Allow countless new physician-owned hospitals with only a signed contract to build, expand, or renovate or demolish as of 2010 to proliferate;
- Eliminate local communities' voices in determining whether a physician-owned hospital in their area expands;



The Honorable Paul Ryan
The Honorable Sander Levin
May 26, 2015
Page 2 of 2

- Waste health care resources by allowing any existing physician-owned hospital to increase in size, even when additional hospital beds are not needed;
- Use a highly subjective standard that favors luxury amenities and selected, planned admissions to replace the requirement that physician-owned hospitals demonstrate that they treat less affluent patients; and
- Block the next administration from modernizing the nascent HCAHPS star-rating system.

Since the Medicare Modernization Act of 2003, Congress has supported ending these egregious and costly arrangements. Current law represents a carefully crafted compromise that: (1) allows existing physician-owned hospitals to continue to treat Medicare patients, (2) permits those that meet their communities' needs for additional hospital capacity and treat low-income to increase in size, and (3) prohibits Medicare from covering services in any new physician-owned hospitals established after Dec. 31, 2010.

In addition, to prevent fraud and abuse, federal law requires physician-owned hospitals to report their ownership status, but the Department of Health and Human Services has yet to receive an accurate accounting from them. It would be fiscally irresponsible to consider expanding these arrangements before Congress has the opportunity to evaluate the current landscape and determine whether the use of taxpayer dollars to support their growth serves the public interest.

For these reasons, the AHA urges you to stand with America's community hospitals and vote no on H.R. 2513.

Sincerely,

Rick Pollack
Executive Vice President