



**American Hospital
Association®**

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June 1, 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, including 267 long-term care hospitals (LTCHs), the American Hospital Association (AHA) appreciates the opportunity to share our concerns regarding the offset included in H.R. 2580, the LTCH Technical Correction Act of 2015. LTCHs serve a critical role within the Medicare program by treating the sickest patients who need long hospital stays. While the AHA appreciates the committee's interest in easing the burdens faced by LTCHs, and we do not oppose the underlying legislation, we oppose efforts to pay for such changes through additional payment cuts to these facilities.

H.R. 2580 establishes a technical correction to the current LTCH moratorium to allow certain moratorium exceptions for existing LTCHs. This bill would be offset with a reduction in the LTCH outlier payments. Given the numerous payment reductions LTCHs are preparing to face this year, we strongly encourage the committee not to seek money from the LTCH prospective payment system to pay for this legislation. Specifically, the Bipartisan Budget Act of 2013 established stringent LTCH payment criteria, which will reduce reimbursement for one out of two current LTCH patients, resulting in a \$3 billion cut in LTCH payments. Further, the Medicare Access and CHIP Reauthorization Act of 2015 reduces the fiscal year 2018 LTCH market basket to 1.0 percent. Due to the magnitude of these cuts, now is not the time for congressional action to further reduce LTCH payments. Rather, now is the time for the LTCH field and policymakers to focus on implementing the congressional mandate for the new, complex LTCH criteria.

In addition, a reduction to LTCH outlier payments would place a greater burden on LTCHs that see higher-acuity patients. The new LTCH criteria urge LTCHs to treat the sickest patients; however, this bill will inadvertently punish those that care for the sickest patients, who are often cases paid an outlier payment.

Due to the vast changes facing the LTCH field, including major reductions in reimbursement, and the large burden this proposal would place on LTCHs eligible for outlier payments, the AHA urges the committee to remove the offset from H.R. 2580.

If you have any questions, please contact Aimee Kuhlman, senior associate director for federal relations, at akuhlman@aha.org or 202-626-2291.

Sincerely,

Rick Pollack
Executive Vice President

