



**American Hospital
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November 3, 2015

The Honorable Joseph Pitts
Chairman
Subcommittee on Health
Committee on Energy and Commerce
U.S. House of Representatives
2125 Rayburn House Office Building
Washington, DC 20515

The Honorable Gene Green
Ranking Member
Subcommittee on Health
Committee on Energy and Commerce
U.S. House of Representatives
2322-A Rayburn House Office Building
Washington, DC 20515

Dear Chairman Pitts and Ranking Member Green:

I am writing on behalf of the nearly 5,000 member hospitals, health systems and other health care organizations, and 43,000 individual members of the American Hospital Association (AHA) regarding H.R. 1362, the Medicaid REPORTS Act and H.R. 2151, The Improving Oversight and Accountability in Medicaid Non-DSH Supplemental Payments Act. While we commend the committee for seeking to improve transparency with respect to the Medicaid program, we have concerns about the impact these bills could have on hospitals.

The AHA believes that states should have the flexibility to support and improve provider payment rates through a variety of mechanisms, such as the Medicaid disproportionate share hospital (DSH) and upper payment limit (UPL) programs, as well as the ability to finance these supplemental payments through the use of provider taxes, intergovernmental transfers (IGTs) and certified public expenditures (CPEs).

H.R. 1362 examines how states are financing their Medicaid programs by requiring states to provide the Centers for Medicare & Medicaid Services (CMS) information on whether the state uses provider taxes, donations, IGTs and CPEs or any other transfer of appropriated funds to finance the state share of their Medicaid match. H.R. 2151 requires that states report to CMS the provider-level data on non-DSH supplemental payments for all types of providers, including hospitals, nursing facilities, intermediate care facilities for the mentally disabled and institutions for mental disease. The bill also calls for auditing of payments in a manner similar to the Medicaid DSH Audits that states are currently required to conduct.

While we understand the importance of increased transparency, we are concerned that these bills, which ask for more reporting to be done by the states, would ultimately place more of a burden on hospitals in terms of the proposed reporting requirements, as the states will turn to the hospitals to provide information for the reports and audits. This is concerning given the hospital



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field's experience related to the Medicaid DSH reporting and auditing program roll-out, which was costly and burdensome to hospitals in many states.

Thank you for the opportunity to comment on these bills.

Sincerely,

/s/

Thomas P. Nickels
Executive Vice President