



**American Hospital  
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May 18, 2017

The Honorable Charles Grassley  
United States Senate  
135 Hart Senate Office Building  
Washington, DC 20515

Dear Senator Grassley:

On behalf of our nearly 5,000 member hospitals, health systems and other health care organizations, and our clinician partners – including more than 270,000 affiliated physicians, 2 million nurses and other caregivers – and the 43,000 health care leaders who belong to our professional membership groups, the American Hospital Association is pleased to support the Rural Emergency Acute Care Hospital (REACH) Act, S. 1130, as an important first step toward ensuring access to health care services in some rural communities.

Your legislation would allow critical access hospitals and prospective payment system hospitals with 50 or fewer beds to convert to rural emergency hospitals (REHs) and continue providing necessary emergency and observation services. REHs would receive enhanced reimbursement rates of 110 percent of reasonable costs. The REACH Act also appropriately provides enhanced reimbursement rates for the transportation of patients to acute care hospitals in neighboring communities.

While we support S. 1130, we believe there is still more work to be done. For example, the REH has the potential to improve access to care for all vulnerable communities, not just those in rural areas. We believe, with the appropriate limitations, it also should be available to all communities. In addition, we urge Congress to consider demonstration programs to test which payment methodology would work best to provide REHs with the reimbursement necessary to account for low volumes, cover costs and create an adequate margin for capitalization.

There also is a continued need to ensure access to more than just emergency and observation services in these communities. For example, we must evaluate and develop innovative approaches that would support access to primary care, psychiatric and substance use treatment, post-acute and diagnostic services. To that end, we urge you to consider the [recommendations](#) made by AHA's Task Force on Ensuring Access in Vulnerable Communities that would preserve such access.



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Again, the AHA applauds your leadership in putting forward a constructive, thoughtful approach to the challenges facing vulnerable rural hospitals, and we look forward to working with you and protecting access to care for all Americans.

Sincerely,

Thomas P. Nickels  
Executive Vice President