



## American Hospital Association®

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### **STATEMENT ON PRESIDENT OBAMA'S BUDGET PROPOSAL**

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The budget blueprint released today fails to appreciate the changes hospitals are now implementing. As the nation's health care safety net, hospitals work 24 hours a day, seven days a week, 365 days a year to bring life, sustain life and save life – whether it is inside the walls of the delivery rooms, operating rooms, emergency departments or intensive care units – or outside our walls in providing primary care and wellness activities in community clinics and schools.

In addition to these responsibilities, the nation's hospitals are working hard to reform our delivery system to better coordinate care, increase quality and patient safety, and upgrade our emergency readiness capabilities.

All this requires additional investments. Yet, the president's budget proposes additional cuts in funding for hospital services provided to the poor, elderly and disabled under the Medicare and Medicaid programs.

Today's budget proposal includes some problematic policies that would undermine the ability of hospitals to improve the health care system and, ultimately, puts access to services at risk for the patients and communities we serve.

We are concerned that proposed cuts to teaching hospitals will jeopardize these important organizations, which play a critical role in medical research and training the next generation of caregivers. While we recognize that increased funding for training new primary care physicians is included in the president's budget, this proposal is overshadowed by an ill-advised cut of \$14.6 billion for medical education at a time when a physician shortage is real and expected to balloon as our population ages.

Additionally, post-acute care providers, who play a key role in making sure that people are able to go back to work, school and lead productive lives, cannot sustain their level of specialized care with the cuts detailed today, especially inpatient rehabilitation facilities, which would be subject to significant cuts. Repeated cuts and policy changes also threaten critical access hospitals and diminish the vital role they play in ensuring access to health care in rural and frontier areas across America.

We are disappointed that today's budget plan also expands the role of the Independent Payment Advisory Board (IPAB). America's hospitals strongly support the repeal of IPAB, because the board removes Congress from the decision-making process, and threatens the important dialogue between hospitals and their elected officials about the real health care needs of their communities.

We are unfortunately all too familiar with the consequences of cuts to funding for hospital services. Even before these new reductions, Medicare and Medicaid reimburse hospitals for less than the cost of providing services. Moreover, one in four hospitals operate totally in the red. The administration's proposal would impact access to the latest treatments and technologies, and may bring about longer waits for care and fewer caregivers to treat our nation's sickest patients.

We look forward to working with the administration and Congress to develop policies that will strengthen – not strain – hospitals' ability to care for their patients and communities.

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