



**American Hospital
Association®**

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June 23, 2015

The Honorable Charles Grassley
United States Senate
135 Hart Senate Office Building
Washington, DC 20510

Dear Senator Grassley:

On behalf of our more than 5,000 member hospitals, health systems and other health care organizations, and our nearly 43,000 individual members, the American Hospital Association (AHA) appreciates your continued leadership on behalf of America's rural hospitals and patients, and applauds the introduction of your bill, the Rural Emergency Acute Care Hospital (REACH) Act.

The REACH Act would allow critical access hospitals (CAHs) and prospective payment system (PPS) hospitals with 50 or fewer beds to convert to rural emergency hospitals (REHs) and continue providing necessary full-time emergency services. REHs would receive enhanced reimbursement rates of 110 percent of reasonable costs. Although REHs would not provide inpatient care, your legislation appropriately provides enhanced reimbursement rates for the transportation of these patients to acute care hospitals in neighboring communities.

This legislation is a good first step toward ensuring access to health care services in some rural communities. At the same time, there is a need to address the issue of ensuring a health care presence in these communities, including access to post-acute and other ambulatory services, and alleviating the challenges faced by low-volume providers. In addition, it is unclear how much the implementation of the REACH Act would cost, and from what sources such funds would come.

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 to further develop this and other alternative payment models to ensure the continued access to health care services in rural communities. As you know, we recently announced the creation of a special task force to consider and recommend broader policy solutions in this area. We look forward to working with you and protecting access to care for rural communities and their patients.

Sincerely,

Rick Pollack
Executive Vice President

