

March 25, 2025

The Honorable Morgan Griffith
U.S. House of Representatives
2110 Rayburn House Office Building
Washington, DC 20515

Dear Representative Griffith:

On behalf of our nearly 5,000 member hospitals, health systems and other health care organizations, 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 (AHA) writes to express our opposition to H.R. 2191, the Physician Led and Rural Access to Quality Care Act.

Rural hospitals are essential access points for care, economic anchors for their communities, and the backbone of our nation's rural communities. These hospitals have maintained their commitment to ensuring local access to high-quality, affordable care despite continued financial and workforce challenges. The AHA strongly supports legislation that would enable rural hospitals across the nation to better care for their communities. However, we believe that H.R. 2191 is misguided legislation that would skew the health care marketplace in favor of physicians who self-refer patients to hospitals they own and would destabilize rural health care while failing to improve access to quality care.

H.R. 2191 would result in additional gaming of the Medicare program, jeopardize patient access to emergency care, potentially harm sicker and lower-income patients, and severely damage the ability of 24/7 full-service community hospitals to provide care in rural areas.

Physician self-referral — whether in rural, suburban or urban communities — is the antithesis of fair competition. The problematic practice allows physicians to steer their most profitable cases to facilities they own — facilities that often call 9-1-1 to handle their emergencies and are often located in the most affluent areas. By performing the highest-paying procedures for the best-insured patients, physician-owners inflate health



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care costs and drain essential resources from community hospitals, which depend on a balance of services and patients to provide indispensable treatment, such as behavioral health and trauma care. By increasing the presence of these self-referral arrangements, H.R. 2191 would only further destabilize community care.

Since the Medicare Modernization Act of 2003, Congress has supported ending the egregious and costly practice of physician self-referral to hospitals they own. Current law represents a 15-year compromise that (1) allows existing physician-owned hospitals (POHs) to continue to treat Medicare patients, (2) permits the expansion of those physician-owned hospitals that meet communities' needs for additional hospital capacity and treat low-income patients, and (3) prohibits Medicare from covering services in any new physician-owned hospitals established after Dec. 31, 2010. Congress established these guardrails to protect the Medicare program from overutilization, patient steering and the harmful patient selection practices that POHs employ.

Data have shown time and time again that POHs select only the healthiest and most profitable patients, serving lower proportions of Medicaid, dual eligible and uncompensated care than full-service acute care hospitals. The [Congressional Budget Office](#), the [Medicare Payment Advisory Commission](#) and the [Centers for Medicare & Medicaid Services](#) all have concluded that physician self-referral leads to greater per capita utilization of services and higher costs for the Medicare program, among other negative impacts.

For these reasons, the AHA strongly opposes the expansion of POHs — by either creating new categories of exceptions or allowing existing POHs to expand — and cannot support H.R. 2191. Congress should maintain current law, preserve the ban on physician self-referrals to new physician-owned hospitals, and retain restrictions on the growth of existing physician-owned hospitals, regardless of location.

Sincerely,

/s/

Lisa Kidder Hrobsky
Senior Vice President, Advocacy and Political Affairs