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AHA STATEMENT ON CMS' PROPOSED INPATIENT RULE

**RICK POLLACK
EXECUTIVE VICE PRESIDENT
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We are pleased that in today's rule CMS has used its discretion to dampen the impact of certain congressionally-mandated policies. This includes phasing in the coding cut from the American Taxpayer Relief Act. We continue to believe that these excessive cuts are not warranted; however, CMS' proposal has provided hospitals with additional time to manage enormous changes to patient care delivery.

While we appreciate CMS' efforts to provide clarity around when an inpatient admission is appropriate – such as for a patient on observation status – we are concerned that this could be applied in a way that undermines medical judgment. We are also disappointed that CMS has proposed payment reductions in applying this policy. Hospitals always strive to provide the right care at the right time in the right setting.

Additionally, the proposal to implement the 25% rule for long-term care hospitals will negatively impact these hospitals' ability to care for patients who need these specialized services. We urge CMS to reevaluate this proposal.

We continue to analyze the proposed rule, particularly changes to the Medicare disproportionate share hospital program. We will continue to work with CMS to improve upon this proposal.

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