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May 20, 2014

The Honorable Tom Harkin
United States Senate
731 Hart Senate Office Building
Washington, DC 20510

Dear Senator Harkin:

On behalf of our more than 5,000 member hospitals, health systems and other health care organizations, and our 43,000 individual members, the American Hospital Association (AHA) is pleased to support The Craig Thomas Rural Hospital and Provider Equity Act of 2014 (R-HoPE) and applauds your commitment to America's rural health care providers.

This legislation would extend critical rural provisions that are set to expire or have expired and implement new provisions that would benefit rural hospitals. Your legislation extends and expands the Medicare inpatient low-volume adjustment to 2,000 discharges. The bill also addresses expired provisions, including the outpatient hold-harmless for rural hospitals with fewer than 100 beds and sole community hospitals, and the grandfather clause allowing direct payments to independent laboratories for the technical component of pathology services. Rural hospitals and health care providers are often the backbone of their communities, and it is essential these programs be extended or brought back to ensure that rural providers can continue to provide high-quality care to their patients.

Your legislation also puts forward new provisions that are vital to rural and critical access hospitals (CAH). This legislation addresses the issue of "96-hour" condition of payment for CAHs and ensures that these hospitals will be paid based upon their Medicare condition of participation. This will allow CAHs to continue to provide valuable services in their communities. In addition, the bill includes a moratorium on enforcement for the Centers for Medicare & Medicaid Services (CMS) policy of direct supervision for outpatient therapeutic services. This is a misguided policy that CMS "clarified" in 2009, and AHA continues to advocate for changes to this policy.

Again, we are pleased to support this legislation and look forward to working with you and your colleagues to achieve passage of this bill.

Sincerely,

Rick Pollack
Executive Vice President

