

May 20, 2015

The Honorable Fred Upton
Chairman
U.S. House of Representatives
Committee on Energy and Commerce
2125 Rayburn House Office Building
Washington, DC 20515

The Honorable Frank Pallone
Ranking Member
U.S. House of Representatives
Committee on Energy and Commerce
2322A Rayburn House Office Building
Washington, DC 20515

Dear Chairman Upton and Ranking Member Pallone:

On behalf of our nearly 5,000 member hospitals, health systems and other health care organizations, the American Hospital Association (AHA) appreciates the opportunity to share our concerns regarding Section 2123, Additional Payment for New Antimicrobial Drugs under Medicare, of the 21st Century Cures Act before the committee.

We applaud the committee for engaging in extensive conversations with patients, providers, researchers, consumers and other stakeholders to identify better ways to accelerate the discovery of new cures and improve health care innovation. While the AHA supports the intent of the draft bill, we oppose Section 2123 of the legislation. This provision provides for additional payment under Medicare Part A with respect to patient discharges involving new antimicrobial drugs. The additional payment would be based on average sales price and would apply to certain new antimicrobial drugs to treat infections that are associated with high morbidity/mortality and for which there is an unmet medical need. As currently drafted, this provision would be implemented in a budget-neutral manner, meaning that it would be funded through a reduction of hospital inpatient prospective payment system payments. **While the AHA supports efforts to encourage the development and responsible use of new antimicrobial drugs, the language in Section 2123 cuts payments to hospitals to pay for the new program. We urge the committee to either allocate additional money outside the current DRG system to be used to provide this additional payment or remove Section 2123 from the legislation.**

If you have any questions, please contact Aimee Kuhlman, senior associate director for federal relations, at akuhlman@aha.org or 202-626-2291.

Sincerely,

Rick Pollack
Executive Vice President

