



September 28, 2022

## **COMMUNITY HOSPITALS OPPOSE LEGISLATION (*H.R. 1330 / S. 4130*) TO REPEAL BAN ON SELF-REFERRAL TO PHYSICIAN-OWNED HOSPITALS**

The Federation of American Hospitals (FAH) and the American Hospital Association (AHA), representing more than 5,000 hospitals, **urge Congress to oppose *H.R. 1330 / S. 4130*** and any other legislation that would repeal or weaken current law limiting self-referral to physician owned hospitals.

For more than two decades, community hospitals, policymakers, the business community and governmental advisory bodies have grappled with overutilization and higher health care costs caused by self-referral to physician-owned hospitals (POHs). Conflicts of interest are inherent in these arrangements, whereby physicians refer their patients to hospitals in which they have an ownership interest.

In 2010, after a decade of studies and congressional hearings showing the adverse impact of these arrangements, Congress acted to protect the Medicare and Medicaid programs and the taxpayers who fund them by imposing a ban on self-referral to new POHs:

- The 2010 law represents a compromise that allows existing POHs to continue operating.
- As of December 31, 2010, no new physician-owned hospitals can bill Medicare or Medicaid for services.
- Physician-owned hospitals in operation as of December 31, 2010 can continue to admit Medicare and Medicaid patients.
- POHs can expand if they meet community needs.

Nevertheless, some groups like Physician-Led Healthcare for America (PHA) continue to attempt to unwind current law. Their proposals would harm patients, community hospitals and local businesses.

Current law is working exactly as planned to protect taxpayers and ensure a more level playing field - one that promotes fair competition. It is a carefully crafted policy with an important safeguard that permits limited expansion of grandfathered hospitals to meet demonstrated community need.

The law as it stands protects patients, businesses and taxpayers. It also helps ensure that community hospitals can continue to fulfill their mission to provide quality care to all the patients in their communities. We urge you to oppose any and all attempts to weaken it.