



**American Hospital
Association**

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STATEMENT ON PROPOSED FY2013 IPPS RULE

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We are deeply disappointed that CMS has proposed new coding cuts in the proposed IPPS rule which results in real payment reductions for hospital services provided to Medicare beneficiaries. CMS continues to use outdated data and a flawed methodology to put into place these cuts. Their actions show a lack of understanding over the reality that hospitals care for patients with complicated medical needs, and payments to hospitals for these services are already below the cost of providing the care. Additionally, the proposal fails to account for a law already on the books – the automatic across-the-board budget cuts, or sequester – scheduled to take effect on January 3. Taken together, this will result in a negative update for hospitals next year unless changes are made.

While we commend CMS for delaying the full implementation of the 25% rule for long-term care hospitals (LTCHs), we are troubled that the delay does not fully apply to all LTCHs this year. Leaving the proposal as is could arbitrarily prohibit some patients from receiving needed long-term care. The AHA urges CMS to reconsider the proposal and give timely relief to all LTCHs.

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Additionally, we are concerned about CMS' proposed 3.75% cut for LTCHs. Even with a 3-year phase in, this new reduction will have a negative impact on LTCHs' ability to care for patients.

Now is not the time to further reduce funding for critical hospital services. We strongly urge CMS to reconsider its proposal and protect seniors' access to care they need and deserve.

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