



**CALIFORNIA
HOSPITAL
ASSOCIATION**

*Providing Leadership in
Health Policy and Advocacy*

March 24, 2015

Dear Member of the California Delegation:

On behalf of the nearly 400 hospital and health system members of the California Hospital Association, we wish to express our support for H.R. 2, The Medicare Access and CHIP Reauthorization Act (MACRA).

Congress, health care providers and their patients have struggled with the flawed sustainable growth rate (SGR) methodology and the many short term attempts to fix it. We support this permanent resolution.

The bipartisan legislation is important to hospitals not only for what it does – repealing the SGR and extending the Children’s Health Insurance Program – but also for what it does not do. We are pleased that the bill does not embrace several flawed, unsound policies that would be harmful to California’s hospitals and the patients they care for. Specifically, the bill rejects changes to the area wage index and the rural floor which would have cost California hospitals as much as \$200 million this year alone. The measure also rejects cuts to graduate medical education, Medicare bad debt payments, rural hospitals, hospital outpatient departments (known as site-neutral cuts) and cuts for certain rehabilitation services. The bill does not allow an additional delay in the implementation of ICD-10.

The bill is helpful to California’s Medicaid disproportionate share hospitals and blocks a coding off-set for all hospitals proposed by the Centers for Medicare & Medicaid Services. It also helps hospitals by extending for six months the enforcement of the so called two-midnight rule and several other important programs.

Once again, hospitals have been asked to contribute to the financing of the overall package; however, we understand the urgent need to advance a permanent fix for SGR and an extension of CHIP, and we appreciate the careful balance of payment changes and structural improvements to the Medicare program overall.

Thank you for your continued support of California hospitals and the patients we serve. We look forward to working with you on other initiatives important to Californians and California hospitals and we urge all members of the California delegation to support H.R. 2.

Thank you for your consideration .

Sincerely,

A handwritten signature in black ink, appearing to read "C. Duane Dauner".

C. Duane Dauner
President/CEO