



1301 Pennsylvania Avenue, NW  
Suite 950  
Washington, DC 20004  
202 585 0100 tel / 202 585 0101 fax  
www.naph.org

**NAPH Praises Newly Released House Reform Bill:  
*America's Affordable Health Choices Act***

**Larry S. Gage, President**

National Association of Public Hospitals and Health Systems

July 15, 2009

The National Association of Public Hospitals and Health Systems (NAPH) congratulates the three House Committees with jurisdiction over health care for producing comprehensive reform legislation. Safety net hospitals are committed to working with Congress and the Administration to achieve reform in 2009.

While NAPH has not yet analyzed every provision of the *America's Affordable Health Choices Act of 2009*, we believe it represents a significant step toward achieving meaningful reform and expanding health coverage to uninsured Americans. We especially appreciate the House's action to expand fair pharmaceutical (340B) pricing to inpatient drugs. Additionally, NAPH accepts the approach spelled out in the House bill to reduce Medicare and Medicaid disproportionate share hospitals (DSH) payments when health reform is fully phased in. NAPH has consistently acknowledged that compromise will be required of all industry stakeholders in order to achieve genuine reform, and we agree that as coverage is fully phased in, there could be diminished need for DSH payments.

Last week, NAPH expressed concerns about an agreement reached between the Obama Administration, the Senate Finance Committee, the American Hospital Association, the Federation of American Hospitals and the Catholic Health Association. The legislation released by the three House Committees yesterday responds to these concerns. The proposed Medicaid and Medicare DSH reductions—while still substantial at \$20 billion—are phased in starting in 2017 after a national Health Insurance Exchange is operational, Medicaid eligibility expansions are in place, and credits are available for low-income individuals unable to afford coverage. Additionally, the reductions are preceded by a broad study by the Secretary of Health and Human Services. Finally, the legislation recognizes the need to restructure DSH and target remaining payments more effectively to safety net hospitals and health systems. NAPH looks forward to working

with the House Committees to ensure that the DSH provisions equip safety net health systems to care for patients, and reimbursement rates for Medicaid and a newly created health plan are adequate.

NAPH strongly supports the attention paid in the House legislation to primary care, prevention and strengthening the health care workforce. We urge the House to adopt an innovative proposal that NAPH has developed to better coordinate care for vulnerable patients. Our goal—like that of the House of Representatives—is to lower health care costs and improve patient care. Safety net hospitals, which operate integrated systems of care, are well-equipped to work with Congress to make delivery system changes that will benefit low-income and Medicaid patients. We strive to work with the House on this proposal, which advances system changes similar to those under consideration for Medicare patients.

NAPH looks forward to continuing our work with Congress and the Obama Administration to enact health reform legislation that achieves universal coverage and meaningful reform.