



Craig W. Jones, FACHE
President

June 15, 2013

The Honorable Tom A. Coburn, M.D.
United States Senate
172 Russell Senate Office Bldg.
Washington, DC 20515

Dear Senator Coburn:

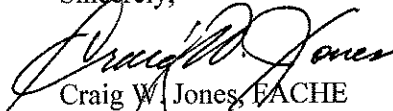
I am writing in regard to your co-sponsorship of S.183, the Hospital Payment Fairness Act of 2013, authored by Sen. McCaskill. On behalf of the Oklahoma Hospital Association, I very much appreciate your support of this bill that will correct a misuse of the application of the imputed rural floor on the Medicare hospital area wage index (AWI).

As you know, the fact that the rural floor payment is calculated on a national budget neutrality basis rather than a state-by-state has allowed a handful of states with few if any rural hospitals to realize major shifts in Medicare payments to urban hospitals at the expense of other states' AWI payments. The misuse of the rural floor in this manner was never intended by the Balanced Budget Act of 1997 but permitted due to a change in practice made a part of the Patient Protection and Affordable Care Act.

I currently serve as a member of a special task force established by the American Hospital Association, the intended purpose of which is to examine and recommend comprehensive reforms to Medicare's Area Wage Index payment plan. Federal government and hospital industry experts alike agree major reforms are needed in the AWI program, a program that continues to be fraught with continued reclassifications and exceptions. Although I very much support, and am working to affect, such comprehensive reforms, I believe an immediate correction needs to be enacted to halt the nationally based budget neutrality provision included in the ACA.

Again, I am grateful for your support of S.183 and will be pleased to lend our association's support toward its eventual passage.

Sincerely,


Craig W. Jones, FACHE
President