



July 25, 2007

Dear Representative:

The Coalition of Full-Service Community Hospitals, a broad coalition of hospitals around the country, strongly supports the language in the “Children’s Health and Medicare Protection (CHAMP) Act of 2007” that limits physician self-referral. We urge the House Ways and Means Committee and the House Energy and Commerce Committee to report the bill with this section as introduced, and for the House of Representatives to pass this important legislation before the August district work period.

While the vast majority of physicians put their patients’ best interests first, our everyday experience demonstrates that the conflict of interest generated by self-referral to physician-owned limited-service hospitals is having an adverse impact on our communities. For examples, analysis from the Medicare Payment Advisory Commission, the Government Accountability Office, and peer-reviewed, independent researchers has shown that:

- specialty hospitals are increasing health care costs at a time when the government is seeking ways to reduce the rate of growth in health care spending; and
- specialty hospitals treat a much lower share of Medicaid patients than do community hospitals in the same market area.

Simply put, a physician is the only person who can admit a patient to a hospital. When physicians can gain financially by admitting a patient to a facility they own, there exists a conflict of interest that cannot be ignored by policymakers. Since even current law prevents physicians from ordering a \$200 test from a lab they own, why should it be okay for them to refer a patient to a physician-owned hospital for a \$30,000 procedure?

The members of the Coalition support Section 651 of the CHAMP Act as introduced and urge you to oppose any amendment to strike or alter this permanent ban on physician self-referral.

Sincerely,

A handwritten signature in black ink that reads "Cindy Morrison". The signature is fluid and cursive, with a large loop at the end.

Cindy Morrison
Executive Director