



Charles N. Kahn III
President

July 25, 2007

Dear Representative:

The Federation of American Hospitals (FAH), representing America's investor-owned hospitals and health systems, strongly supports the "Children's Health and Medicare Protection (CHAMP) Act of 2007" (H.R. 3162). We urge both the House Energy and Commerce Committee and the House Ways and Means Committee to report the bill as introduced, and for the full House of Representatives to pass this important legislation before the August district work period.

The State Children's Health Insurance Program (SCHIP) has a proven track record of providing coverage for millions of our nation's low-income, previously uninsured children. It is imperative to reauthorize this program before it expires at the end of September. H.R. 3162 will strengthen this important program and increase the number of kids who receive this essential health coverage.

The Federation also is pleased that the CHAMP Act includes crucial health care policies that would result in a permanent ban on physician self-referral to specialty hospitals; a halt at 60% of the transition to the 75% rule for inpatient rehabilitation facilities; an increase in the rural Medicare DSH payment; regulatory relief for long term care hospitals; and language that would ensure the important contribution of the National Quality Forum to the quality of health care in America. However, we must note that this bill also calls for a 0.25 percent reduction in the FY08 market basket for hospital inpatient services. We hope the Congress will reconsider this provision, particularly since the Medicare Payment Advisory Commission recommends that hospitals receive a full market basket update for FY08.

The members of the Federation greatly appreciate the ongoing commitment not only to SCHIP but also to strengthening the Medicare program for seniors for years to come. We strongly encourage you to support H.R. 3162 in Committee and when it comes before the full House of Representatives.

Sincerely,