

June 26, 2007

The Honorable Earl Pomeroy
U.S. House of Representatives
Washington, DC 20515

The Honorable Greg Walden
U.S. House of Representatives
Washington, DC 20515

Dear Congressmen Pomeroy and Walden

The member hospitals of the Rural Referral Center/Sole Community Hospital Coalition thank you for introducing the "Health Care Access and Rural Equity (H-CARE) Act of 2007," legislation that will go a long way toward maintaining the viability of these important institutions.

We especially applaud provisions in the bill that would:

- Re-instate "hold harmless" protections under the outpatient prospective payment system for sole community hospitals;
- Allow SCHs to use a more current cost year to determine payments under the inpatient prospective payment system;
- Eliminate the cap on disproportionate share hospital payment adjustments; and
- Qualify SCHs and rural referral centers for the 340B drug purchasing program.

Congress created the sole community hospital program to maintain access to hospital services in isolated communities. The SCH designation is conferred upon hospitals that, by virtue of their distance from other hospitals, are the sole source of hospital services available in an area.

Similarly, Congress created the Rural Referral Center program to ensure that sophisticated healthcare services also are available in rural communities, so that residents of these areas do not have to travel long distances to urban centers to receive complex medical care. The RRC designation is conferred upon hospitals of a certain size and sophistication that are located in primarily rural areas.

RRCs and SCHs are the health care providers that provide rural populations with local access to a wide range of health care services. In so doing, RRCs and SCHs localize care, minimize the need for referrals and travel to urban areas, and provide services at costs lower than would be incurred in