



July 26, 2016

The Honorable Sam Graves
U.S. House of Representatives
1415 Longworth House Office Building
Washington, D.C. 20515

The Honorable Dave Loebsack
U.S. House of Representatives
1527 Longworth House Office Building
Washington, D.C. 20515

RE: The *Save Rural Hospitals Act*, HR 3225

Dear Reps. Graves and Loebsack:

On behalf of the American Academy of Family Physicians (AAFP), which represents 124,900 family physicians and medical students across the country, I write to inform you that the AAFP is pleased to support the *Save Rural Hospitals Act* (HR 3225).

The AAFP acknowledges the unique challenges faced by rural hospitals. AAFP policy recognizes the payment inequities that rural hospitals operate under and believes that they should be abolished. Your legislation contains a variety of policy changes that would help alleviate these payment challenges, for example: (1) reversing the two-percent Medicare sequester for rural hospitals, (2) reversing a 2012 cut to Medicare payment of bad debt for critical access hospitals (CAHs) and rural hospitals, and (3) delaying application of Medicare downward adjustments for failure to be a meaningful user of certified EHR technology (CEHRT). The AAFP also supports the application of these policies to Medicare physician payment generally because physician practices struggle with the impact of diminished payments under the sequester, as well as downward adjustments for trying but failing to reach all of requirements to be meaningful users of CEHRT.

Of particular importance to the AAFP, your bill would make permanent for rural physicians the Medicaid-to-Medicare payment parity for primary care that expired in January 2015. The AAFP supports continuation of this policy for all primary care physicians participating in Medicaid—not only those practicing in rural areas.

In addition, the AAFP notes that your bill would reverse reductions to Medicare and Medicaid Disproportionate Share Hospital (DSH) payments for rural hospitals. While the AAFP appreciates the intent of this provision, we also would point out that declining DSH payments disproportionately harm hospitals in states that have not expanded their Medicaid programs under the *Affordable Care Act*. The AAFP supports universal access to high-quality health care and therefore would prefer to see increased Medicaid revenue to rural hospitals through expanded access, rather than through a reversal of the DSH reductions.

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