



Charles N. Kahn III  
President & CEO

March 7, 2017

U.S. House of Representatives  
Washington, DC 20515

Dear Member of Congress:

The Federation of American Hospitals (FAH) is the national representative of more than 1,000 investor-owned or managed community hospitals and health systems in urban and rural America. Based on our review of the American Health Care Act (AHCA) as currently drafted, and in the absence of a Congressional Budget Office analysis and estimate of the cost and coverage impacts that might allay our concerns, we have significant issues with this legislation.

As Congress moves forward in considering ACA repeal and replace legislation, FAH's position on this and future bills rests on the extent to which those bills meet certain principles. First, the bill should maintain sufficient coverage levels for Americans to meet their medical and behavioral health needs. Second, Medicaid structural and financing reforms should not be used as a vehicle to reduce Federal funding support, but to give states flexibility to provide coverage to low-income citizens of their state. Third, individual insurance market reforms should provide sufficient assistance that enables low and middle-income Americans to purchase coverage. Fourth, Medicare hospital cuts imposed through arbitrary and permanent "productivity adjustments" should be rolled back and recalibrated to reductions in coverage. These cuts are tantamount to the taxes that the AHCA fully eliminates, and should be treated in a like manner since they were both imposed for the sole purpose of funding a coverage expansion. Fifth, employer-sponsored insurance should not be weakened and must remain a cornerstone of coverage for working Americans.

The FAH stands ready to work with the Congress to help construct replace legislation consistent with these principles. Failure to meet these core principles may threaten our ability to ensure that Americans are provided with the health coverage and access to care they need and deserve, and that hospitals, who so many millions of Americans rely on every day, 24/7, are there to deliver it.

Sincerely,

A handwritten signature in black ink, appearing to read "Charles N. Kahn III", is written over a white background.