



Charles N. Kahn III  
President and CEO

**STATEMENT  
of the  
Federation of American Hospitals  
to the  
U.S. House of Representatives  
Committee on Ways and Means**

**Re: “Access to Health Care in America: Ensuring Resilient Emergency Medical Care”  
March 18, 2024**

The Federation of American Hospitals (FAH) submits the following statement for the record in advance of the House Committee on Ways and Means hearing entitled *Access to Health Care in America: Ensuring Resilient Emergency Medical Care*. We appreciate the Committee’s leadership in examining the challenges and opportunities surrounding emergency care services and how to strengthen access to emergency care in America.

The FAH is the national representative of more than 1,000 leading tax-paying hospitals and health systems throughout the United States. FAH members provide patients and communities with access to high-quality, affordable care in both urban and rural areas across 46 states, plus Washington, DC, and Puerto Rico. Our members include teaching, acute, inpatient rehabilitation, behavioral health, and long-term care hospitals and provide a wide range of inpatient, ambulatory, post-acute, emergency, children’s, and cancer services.

The FAH strongly supports preserving access to emergency care for all individuals across the nation, especially in rural and underserved areas. In these regions, where health care resources may be scarce, emergency departments serve as critical lifelines. Emergency departments provide immediate medical attention to patients, regardless of their ability to pay or insurance status, and play a pivotal role in responding to unforeseen emergencies, natural disasters, and public health crises.

***Protect Access to Rural Health Care***

The FAH urges Congress to protect access to emergency care in rural areas, recognizing the unique challenges these regions face. Rural communities often contend with limited health care infrastructure and vast geographical distances, making timely access to emergency services a matter of life and death. Emergency departments serve as vital hubs for urgent medical care in these areas, offering critical interventions during medical emergencies, accidents, and natural disasters. Without accessible emergency care, residents in rural areas are left vulnerable, facing potentially devastating consequences due to delays in treatment.

A recent study found that more than 600 rural hospitals – nearly 30% of all rural hospitals in the country – are at risk of closing in the near future<sup>1</sup>. This risk of closure is exacerbated by many factors such as the recent UnitedHealth Group Change Healthcare cyberattack. This attack has resulted in massive payment gaps for providers nationwide, including rural providers, due to providers’ inability to submit claims and receive payment causing an immediate need for relief. We urge Congress to adopt a rural health agenda that includes the following legislation:

- Enact the *Save Rural Hospitals Act* which would establish a non-budget neutral national minimum area wage index of 0.85, ensuring that rural hospitals receive fair payment for the care they provide and allow them to compete for and retain high-quality staff.,
- Make permanent the Medicare Dependent Hospital (MDH) and Low Volume Hospital (LVH) Adjustment Payment Programs to sustain access to hospital care for over 60 million Americans who live in rural communities.
- Eliminate the remainder of the scheduled Medicaid DSH cuts to ensure access to quality care for the most vulnerable patients and the essential hospitals that serve them.
- Oppose the *Patient Access to Higher Quality Health Care Act of 2023* as a solution to rural access and reject efforts to weaken the existing ban on self-referral to physician-owned hospitals (POHs). Not only are POHs mired in conflict of interest, but allowing POHs would result in over-utilization of Medicare services at significant cost to patients and the Medicare program and would weaken the delicate patient balance of existing rural hospitals.
- Reign in prior authorization abuses by Medicare Advantage plans that harm patients by eroding access to and affordability of medically necessary care and require rural hospitals to divert precious resources and time to respond to care denials and delay tactics
- Enact workforce programs like *The Conrad State 30 and Physician Access Reauthorization Act* and the *Healthcare Workforce Resilience Act* to encourage qualified doctors and nurses to practice in rural and underserved areas.

These policies would help rural hospitals adapt to the unique headwinds they face and allow them to continue to serve the millions of Americans who depend on them for health care.

### ***Ensure Adequate Implementation of the No Surprises Act***

The FAH urges Congress to ensure proper implementation of the *No Surprises Act* to mitigate managed care abuses that continue to jeopardize patient access to care. Effective implementation, particularly in addressing the impact of surprise billing on emergency care, is critical to mitigating the real-world consequences for patient care from the insurance industry misusing the law’s independent dispute resolution (IDR) process. Successful implementation of the *No Surprises Act* will ensure insurance companies act in good faith during the IDR process and pay providers appropriately for emergency care and other critical services. Congress must prioritize and closely monitor the implementation of the *No Surprises Act* to uphold its promise of protecting access to patient care.

### ***Reject Site-Neutral Cuts to Medicare***

The FAH strongly opposes any policies that threaten access to health care, including so-called “site-neutral” payment policies that would decrease Medicare payments to hospitals. These payment cuts do not take into account the fact that hospitals are already only paid 80 cents on the dollar by Medicare and hospitals require more funding than other sites of care because they treat sicker, lower-income patients with more complex

---

<sup>1</sup> Center for Healthcare Quality & Payment Reform: [https://ruralhospitals.chqpr.org/downloads/Rural\\_Hospitals\\_at\\_Risk\\_of\\_Closing.pdf](https://ruralhospitals.chqpr.org/downloads/Rural_Hospitals_at_Risk_of_Closing.pdf).

and chronic conditions, provide 24/7 access to care in the community, and are held to a higher regulatory and safety standard. Additionally, these cuts disproportionately impact patients in rural and underserved communities where hospitals are already at risk of closing or reducing service lines such as emergency rooms and maternity care.

If site-neutral payment cuts were to be enacted, rural hospitals would particularly be impacted by the financial strain, forcing difficult decisions regarding the viability of operations in rural areas. Site-neutral reductions would put the entire health care infrastructure at risk and, therefore, would threaten patient access to emergency care.

We thank you for your focus on rural health and look forward to working with the Committee on these critical issues.