



APR -1 2008

Mr. Rich Umbdenstock
President
American Hospital Association
One North Franklin
Chicago, Illinois 60606

Dear Mr. Umbdenstock:

I am writing in response to the enclosed document, issued by the American Hospital Association, the Federation of American Hospitals, and the Coalition of Full Service Community Hospitals, which mentions the Office of Inspector General's recent report entitled "Physician-Owned Specialty Hospitals' Ability To Manage Medical Emergencies" (OEI-02-06-00310). The document includes several statements that misrepresent our findings and draws conclusions that we did not make in our report. Specifically:

- We did not compare patient safety and quality of care in physician-owned specialty hospitals to community hospitals, and, as a result, our report cannot be used to conclude that "quality and patient safety of care provided by [specialty] hospitals is mixed and generally no higher." Additionally, we conducted a study about physician-owned specialty hospitals; we did not conduct an investigation.
- We did not conclude that there were "widespread risks to patient safety in physician-owned specialty hospitals" or that "most physician-owned hospitals are ill-equipped to provide emergency care to their communities; and many may violate Medicare's Conditions of Participation...."
- We found that 55 percent of all physician-owned specialty hospitals have emergency departments. The statement that "More than half of these facilities lack full-service emergency departments" is inaccurate.
- We identified one hospital that did not have a physician on call or on duty during at least 1 of the 8 sampled days that we reviewed. The statement that "many [specialty hospitals] did not have a physician on-site or on-call every hour of every day" is inaccurate.

- The statement that specialty hospitals “all too frequently have to transfer patients to full-service hospitals or dial 9-1-1 to obtain medical assistance for patients in distress” misrepresents our findings. We did not make this statement nor did we measure the frequency with which physician-owned specialty hospitals use 9-1-1 to transfer patients or to obtain medical assistance.

We are sending identical letters to the Federation of American Hospitals and the Coalition of Full Service Community Hospitals. If you have any questions, please contact me or your staff may call Claire Barnard, Director of External Affairs, at (202) 205-9523.

Sincerely,



Stuart E. Wright
Deputy Inspector General
for Evaluation and Inspections

Enclosure