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**PHA: Desperate Corporate Hospital Lobbyists
Now Targeting Senate Military
and Domestic Spending Bill in Latest Effort to Keep
Bureaucrats, Not Physicians, in Charge of Hospitals**

(5/13/08, Washington, DC) - Lobbyists representing corporate hospitals operated by non-physician bureaucrats have launched their latest attack on hospitals owned and operated by Physicians.

After failing twice before in their efforts to limit Medicare beneficiaries' choice of hospitals by shutting down physician owned hospitals, the lobbyists are now swarming the Senate Appropriations Committee, which is considering a supplemental appropriations bill that would provide funds for current military operations and expand some GI benefits.

"Their plan is to convince the Appropriations Committee, which includes some of the Senate's most distinguished members, to block Medicare recipients from having access to some of the best hospitals in the country," says Molly Sandvig, Executive Director of Physician Hospitals of America (PHA). "The big box hospital lobby has been shameless in its efforts to kill any form of competition that might offer Medicare beneficiaries a choice in where they obtain medical care. First, they tried to create controversy in a much-needed bill to improve insurance benefits for people with mental illness. Failing there, they went after the farm bill and tried to justify closing physician owned hospitals as a way to pay for farm programs. Now they are attempting to use legislation that supports our men and women in the military."

PHA is confident that the Senators on the Appropriations Committee will see through this lobbying ploy, and reject this ill-advised attempt to insert a major change in Medicare policy into a

defense-spending bill. Even the leading Republican on the Senate Finance Committee, Charles Grassley of Iowa, has rejected this effort to bypass the jurisdiction of the Finance Committee.

“PHA and Senator Grassley often disagree on physician ownership of hospitals, but we are of one mind on this point,” Sandvig added. “The debate over hospital choice for Medicare beneficiaries belongs in the Finance Committee, where the issues can be openly and fairly discussed. This is too important an issue for Medicare to be resolved by stealth, but apparently our hospital opponents are afraid of open honest debate and prefer to do their lobbying under the cover of darkness.”

In addition to a growing body of evidence demonstrating the success of efforts by Physicians who have left the hospital bureaucracy to start their own, patient-centered facilities, a new study reports physician-ownership of hospitals “...has no meaningful affect on market-level Medicare expenditures.”

“Our opponents have argued that eliminating physician owned hospitals will save Medicare money,” she noted. “They use a report from the Congressional Budget Office that relied on outdated information. We ask CBO to reevaluate their findings based on this new study.”

The study Sandvig cites was conducted by John E. Schneider, PhD, Pengxiang Li, PhD, and Robert L. Ohsfeldt, PhD, under the auspices of the Health Economics Consulting Group. [<http://www.hecg-llc.com>] Project funding was by an unrestricted grant from PHA.