



TO: PHA Members

FROM: Molly Gutierrez

DATE: December 6, 2006

SUBJECT: Legislative Update

This is the last week that Congress will be in session and the Members are trying to find a way to fix the Medicare payment cut for physicians. This has offered opponents of physician owned hospitals one last opportunity to push for a moratorium or some other limit on PHA members.

Time is very limited since Congress plans to finish by Thursday or Friday. If you have not yet acted on yesterday's call to action, please do so now. Thanks for your effort if you have already contacted your Members of Congress.

PHA had anticipated that our opponents would make one last attempt to cripple physician owned hospitals this year. In preparation for the lame duck session of Congress, we reconfirmed our support in the House and the Senate. Those Members have continued to resist any efforts by our opponents to sneak language into the Medicare package.

As of 3:00 PM EST today, it appears that your grassroots efforts are bearing fruit. The latest Medicare offer from the Senate did not include any reference to physician owned hospitals. House Members and staff involved in the Medicare negotiations confirmed that the House side has strongly resisted Senate attempts to move this issue. However, this positive news should not lessen our caution or our contacts with Congress. Until the final package is put to bed, we need to remain vigilant.

In anticipation of the new Congress, controlled by the Democrats, PHA has been actively reaching out to some of the new players who will be in key positions next year. We are committed to developing breadth and depth in our political relationships to make sure that physicians can continue to own and operate hospitals. In order to do so, we need your time and continued financial support. Thank you!