



PHYSICIAN HOSPITALS COMMENT ON FY 2008 INPATIENT PROSPECTIVE PAYMENT SYSTEM PROPOSED RULE

Sioux Falls, South Dakota, April, 2007 -

Physician Hospitals of America (PHA), representing the nation's physician owned hospitals, supports the continuing efforts of the Centers for Medicare and Medicaid Services (CMS) to reform the hospital inpatient prospective payment system (IPPS). CMS has issued a proposed rule on the 2008 IPPS that would further adjust payments to hospitals based on the real costs of care and the severity of the patients receiving services.

PHA previously supported the recommendations of the Medicare Payment Advisory Commission (MedPAC) to revise the inpatient payment system to better align payments with true costs of care and patient acuity. In addition, PHA supported CMS' proposed IPPS changes in 2007. PHA agrees that hospitals providing services to more complex patients should be reimbursed in a manner that reflects the nature of that care. We continue to support CMS' efforts to make hospital payments more rational.

CMS has also called for greater reporting of physician ownership of hospitals. PHA members are proud of their physician investors and concur with the CMS proposal. We simply ask that CMS require disclosure of financial arrangements between all hospitals and physicians, regardless of ownership.

The agency has further proposed that all hospitals tell patients about their physician coverage policies and whether or not a physician is always on the premises. PHA agrees that this information is important to patients and all hospitals should make the same disclosures.

For more information or to schedule an interview, contact Molly Gutierrez at 605-321-3483.

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