

May 21, 2019

The Honorable Seema Verma
Administrator
Centers for Medicare and Medicaid Services
U.S. Department of Health and Human Services
200 Independence Ave., SW
Washington, D.C. 20201

Dear Administrator Verma:

Physician-owned hospitals (POHs) not only increase access and encourage innovation but provide the best health care at the lowest cost. Nevertheless, the Affordable Care Act includes a provision that strictly prohibits any new POH from participating in Medicare or Medicaid. It also prohibits existing POHs from expanding unless they meet a very complicated set of criteria involving a percentage of Medicaid admissions, population growth rate, and average bed capacity.

Because of this statutory barrier, we would like to express our support for a demonstration model that will be submitted to the Center for Medicare and Medicaid Innovation (CMMI) which would allow POHs to expand their facilities. The model increases patient choice, improves access, fosters patient engagement, improves care quality and reduces inappropriate opioid use. It will not only empower patients in their treatment decisions, but it will also improve competition and reduce the rapid pace of hospital consolidation that has resulted in higher costs for beneficiaries and the Medicare and Medicaid programs.

We urge you to approve this demonstration model which will demonstrate the value of POHs in advancing quality and health outcomes for Medicare and Medicaid beneficiaries, while reducing program costs.

Sincerely,

American Association of Orthopaedic Surgeons
American Osteopathic Association
American Association of Neurological Surgeons
Congress of Neurological Surgeons
American Association of Orthopaedic Executives
OrthoForum
American Association of Hip and Knee Surgeons
Arthroscopy Association of North America
Cervical Spine Research Society
Musculoskeletal Tumor Society
Ruth Jackson Orthopaedic Society
Orthopaedic Trauma Association
Scoliosis Research Society
American Orthopaedic Society for Sports Medicine

American Shoulder and Elbow Society
American Orthopaedic Foot and Ankle Society
American Society for Surgery of the Hand
North American Spine Society
Medical Society of New Jersey
Ohio Orthopaedic Society
North Carolina Orthopaedic Association
Iowa Orthopaedic Society
Washington State Orthopaedic Association
Minnesota Orthopaedic Society
Illinois Association of Orthopaedic Surgeons
North Dakota Orthopaedic Society
Arkansas Orthopaedic Society
New Jersey Orthopaedic Society
Rhode Island Orthopedic Society
Louisiana Orthopaedic Association
Washington State Orthopaedic Association
Michigan Orthopaedic Society
Wyoming Orthopaedic Society
California Orthopaedic Association
Fort Wayne Orthopedics
Florida Orthopaedic Society
South Carolina Orthopaedic Association
Delaware Society of Orthopaedic Surgeons
Tennessee Orthopaedic Society
Virginia Orthopaedic Society
Kansas Orthopaedic Society
South Dakota Orthopaedic Society
Connecticut Orthopaedic Society
Massachusetts Orthopaedic Society
Maryland Orthopaedic Association
Massachusetts Orthopaedic Association
South Dakota State Orthopaedic Society
Arizona Orthopedic Society
Texas Orthopaedic Association
Arizona Orthopaedic Society
Alaska State Orthopaedic Society
Indiana Orthopaedic Society
Pennsylvania Orthopaedic Society
Oklahoma State Orthopaedic Society
Oregon Association of Orthopaedic Surgeons
Alabama Orthopaedic Society
New York State Society of Orthopaedic Surgeons
New Hampshire Orthopaedic Society
Idaho Orthopaedic Society
Hawaii Orthopaedic Association
Nevada Orthopedic Society
West Virginia Orthopaedic Society

Georgia Orthopaedic Society
New York State Society of Orthopaedic Surgeons
New Hampshire Orthopaedic Society
Utah State Orthopaedic Society
The CORE Institute
The CORE Institute Specialty Hospital
Healthcare Outcomes Performance Company
Resurgens Orthopaedics
Atlantic Orthopaedic Specialists
Orthopaedic Institute of Sioux Falls
Sioux Falls Specialty Hospital
Signature Medical Group