

February 12, 2010

The Honorable Harry Reid
Majority Leader, United States Senate
S-221, United States Capitol
Washington, DC 20510

The Honorable Mitch McConnell
Minority Leader, United States Senate
S-231, United States Capitol
Washington DC 20510

The Honorable Nancy Pelosi
Speaker, United States House of
Representatives
H-232, United States Capitol
Washington, DC 20510

The Honorable John Boehner
Minority Leader, United States House of
Representatives
H-204 – United States Capitol
Washington, DC 20510

RE: Need for Immediate Action to Extend 2009 Medicare Policies that Expired on January 1, 2010

Dear Majority Leader Reid, Speaker Pelosi, Minority Leader McConnell, and Minority Leader Boehner:

The undersigned representatives of national patient, health care professional and provider organizations request your immediate action to address Medicare policies that went into effect on January 1, 2010. Failure to pass legislation to extend these various Medicare policies will prompt limited access to services for beneficiaries in rural and other under-served areas, loss of payments to health care professionals, as well as the creation of an unsustainable health care environment. These different policies impact a wide spectrum of the health care delivery process, including access to care through ambulance services, preparation of diagnostic laboratory tests, and extensive rehabilitation services needed to return Medicare beneficiaries to their homes and communities. They impact solo practitioners, post-acute care facilities and community hospitals that serve patients with various diagnoses and impairments.

Many of these Medicare policies have been temporarily addressed by Congress in multiple bills over the past decade. On January 1, 2010, these policies expired and reverted back to the detrimental provisions that limit access, beneficiary choice, and provider reimbursement. These Medicare extenders must be addressed immediately.

The following are a listing of provisions that have been addressed by Congress and were part of pending health care reform legislation:

- **Extension of the work geographic index floor and revisions to the practice expense geographic adjustment under the Medicare physician fee schedule.** Extends a floor on geographic adjustments to the work portion of the fee schedule through the end of 2010, with the effect of increasing practitioner fees in rural areas. Also provides immediate relief to areas negatively impacted by the geographic adjustment for practice expenses, and requires the Secretary of HHS to improve the methodology for calculating practice expense adjustments.

- **Extension of exceptions process for Medicare therapy caps.** Extends the process allowing exceptions to limitations on medically necessary therapy.
- **Extension of payment for the technical component of certain physician pathology services.** Extends a provision that allowed independent laboratories to bill Medicare directly for certain clinical laboratory services.
- **Extension of ambulance add-ons.** Extends bonus payments made by Medicare for ground and air ambulance services in rural and other areas.
- **Extension of certain payment rules for long-term care hospital services and of moratorium on the establishment of certain hospitals and facilities.** Extends Sections 114 (c) and (d) of the Medicare, Medicaid and SCHIP Extension Act of 2007.
- **Extension of physician fee schedule mental health add-on.** Increases the payment rate for psychiatric services by 5 percent.
- **Extension of outpatient hold harmless provision.** Extends the existing outpatient hold harmless provision and would allow Sole Community Hospitals with more than 100 beds to also be eligible to receive this adjustment.
- **Extension of Medicare reasonable costs payments for certain clinical diagnostic laboratory tests furnished to hospital patients in certain rural areas.** Reinstates the policy included in the Medicare Modernization Act of 2003 (P.L. 108-173) that provides reasonable cost reimbursement for laboratory services provided by certain small rural hospitals.
- **Extension of the Rural Community Hospital Demonstration Program.** Extends the program expands eligible sites to additional States and additional rural hospitals.
- **Extension of the Medicare-dependent hospital (MDH) program.** Extends the Medicare-dependent hospital program and requires HHS to study whether certain urban hospitals should qualify for the MDH program.
- **Hospital wage index improvement.** Extends reclassifications under section 508 of the Medicare Modernization Act (P.L 108-173).

We request your immediate action to pass legislation that, at a minimum, will continue policies that were in effect in 2009 for an additional two years (2010 and 2011). For further information or questions, please feel free to contact Justin Moore at justinmoore@apta.org or 703-706-3162. Thank you for your attention to these pressing policy priorities affecting patients and their corresponding health care providers.

Sincerely,

American Ambulance Association
American Clinical Laboratory Association
American Medical Rehabilitation Providers Association
American Health Care Association
American Occupational Therapy Association
American Pathology Foundation
American Physical Therapy Association
American Psychiatric Association
American Psychological Association
American Speech –Language-Hearing Association
College of American Pathologists
National Association for the Support of Long Term Care
National Association of Social Workers
National Rural Health Association

Cc: Chairman Max Baucus
Ranking Member Charles Grassley
Chairman Tom Harkin
Ranking Member Mike Enzi
Chairman Charlie Rangel
Ranking Member Dave Camp
Chairman Henry Waxman
Ranking Member Joe Barton