



**American Hospital
Association**

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NEWS RELEASE

NEW MEDPAC DATA UNDERSCORE HOSPITAL CONCERNS WITH THE MEDICARE BUY-IN PROPOSAL

WASHINGTON (December 10, 2009) – New data released at today’s Medicare Payment Advisory Commission (MedPAC) meeting show that Medicare payments for hospital services fall woefully short of covering costs, further fueling concerns about adding more patients to Medicare through a “buy-in” under reform, the American Hospital Association (AHA) said.

Medicare covered significantly less patient care costs in 2008 than it did in 2007, according to information released at today’s commission meeting. The drop in Medicare margins from *negative 6* percent to an estimated *negative 7.2* percent marks an historic low in how Medicare covers the cost of care for America’s seniors, continuing a trend of declining Medicare payment adequacy over the past seven years.

“The data released at today’s MedPAC meeting underscore our concerns about the Medicare buy-in proposal that’s currently part of the Senate health reform bill,” said Rich Umbdenstock, president and CEO of the American Hospital Association. “For the majority of America’s hospitals, Medicare payments cover less than the cost of care for

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hospital services to seniors, making it more difficult to make ends meet. The Medicare buy-in could hamper hospitals' ability to maintain the essential public services that patients and communities depend upon and to upgrade technology and facilities that make care better."

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About the AHA

The AHA is a not-for-profit association of health care provider organizations that are committed to health improvement in their communities. The AHA is the national advocate for its members, which include more than 5,000 hospitals, health care systems, networks and other providers of care. Founded in 1898, AHA provides education for health care leaders and is a source of information on health care issues and trends.