

**U.S. SENATE COMMITTEE ON HEALTH,
EDUCATION, LABOR & PENSIONS**

**Healthcare Roundtable
3:00pm Thursday, June 11, 2009
216 Hart Senate Office Building**

Statement of Chip Kahn, President, Federation of American Hospitals

I. QUALITY

- The 1000 hospitals of the Federation of American Hospitals strongly supports the expansion of health coverage to uninsured Americans, as well as health care delivery, and congratulates this Committee and its leadership in forwarding that process.
- We are gratified with the Committee's appropriate focus on prevention and our health care workforce as part of reform. Today, I am going to focus on the quality components of the legislation, which we find particularly important to achieving the goals of health reform.

Stand For Quality:

- The FAH has long worked with other stakeholders to develop a quality infrastructure to enable hospitals and clinicians to improve patient care.
- We deeply appreciate the leadership of Chairman Kennedy, Senator Dodd, and Senators Enzi and Mikulski for including in the bill a strong quality Title which recognizes the need for a cohesive federal infrastructure, essential for effectiveness research, that is built on the foundation of a strong public-private, multi-stakeholder partnership.
- The FAH is an active member of Stand For Quality, a broad multi-stakeholder coalition that includes more than 190 major organizations nation-wide from consumers, labor, employers, purchasers, to clinicians and hospitals, and we appreciate the Committee's recognition of the six key functions we believe are necessary to strengthen and improve quality:

1. Setting national priorities to guide reporting and improvement activities and assess progress.
2. Endorsing and maintaining measures for national use through multi-stakeholder consensus process.
3. Developing measures to fill identified gaps in priority areas.
4. Strengthening a public-private stakeholder consultation process.
5. Providing a national strategy for the collection, aggregation and public reporting of quality measures
6. Identifying, developing, testing and disseminating innovative methodologies for improvement in quality of health care.

Delivery Reforms:

- Additionally, the Committee bill includes a section that would have insurers implementing quality programs. We would encourage the committee to ensure that quality programs developed by insurers are linked to those quality programs you included in Title II (2)

II. GENERAL HEALTH CARE REFORM

- As I wrap up my remarks, I would like to mention three key points that we view as critical for reform to work:
- Ultimately, health reform must work to strengthen - not weaken - the hospitals that so many Americans rely on for their care.
- Therefore, we need to be very careful that the bill does not arbitrarily reduce hospital revenue. That would undermine the ability of hospitals to meet the expectations of expanded access for Americans to quality patient care.
- Medicare and Medicaid are critically important programs that so many Americans depend on; however, we must acknowledge that both chronically underpay hospitals for services. So, tying payments under expanded coverage to these programs will weaken not strengthen hospitals.
- We all support delivery reforms that will improve care and its efficiency, but if sufficient funding is not there, we could very well defeat the goals of the bill.
- Thank you for the opportunity to address the Committee today.