

April 5, 2016

The Honorable Johnny Isakson  
United States Senate  
131 Russell Senate Office Building  
Washington, DC 20510



Dear Senator Isakson:

On behalf of the Georgia Hospital Association and our more than 170 hospitals members, I would like to express our appreciation and full support for the legislation that you have proposed, the *Fair Medicare Hospital Payments Act of 2016*, which would help correct a longstanding and worsening problem for hospitals across the State of Georgia.

As you know, the Medicare Area Wage Index (AWI) for Hospital Inpatient Services and the Medicare Area Wage Adjustment Factor for Hospital Outpatient Department Services were originally designed to equitably adjust Medicare payment rates to reflect relative hospital wage level in a specific geographic area, determined using Core-Based Statistical Areas (CBSAs), compared to the national average. However, over the past three decades, legislative and regulatory changes have created an uneven playing field that has resulted in Georgia hospitals losing out on millions of dollars in Medicare payments annually.

Your legislation, the *Fair Medicare Hospital Payments Act of 2016*, represents a significant step toward restoring fairness in the system for Georgia hospitals by establishing a reasonable national minimum of 0.874 for the Medicare Area Wage Index (AWI) for Hospital Inpatient Services and the Medicare Area Wage Adjustment Factor for Hospital Outpatient Department Services. Importantly, this legislation is budget neutral, as the cost of implementing the proposed 0.874 floor is fully offset by a requirement in the bill for the Secretary of the Department Health & Human Services to annually establish a corresponding ceiling on the aforementioned AWI formulas. It is equally important to note that your legislation would have either a positive impact or a neutral effect on our hospitals. You have ensured that none of the CBSAs in Georgia and the corresponding hospitals in such areas would be negatively impacted by the resulting ceiling in the legislation.

As always, I greatly appreciate your continued support for Georgia's hospitals and the patients and communities they serve. Should you have any questions or need additional information regarding our support of the *Fair Medicare Hospital Payments Act of 2016*, please feel free to contact me directly.

Respectfully submitted,

Earl V. Rogers  
President & CEO  
Georgia Hospital Association

**Georgia Hospital Association**

1675 Terrell Mill Road, Marietta, Georgia 30067 • 770-249-4500 • Fax: 770-955-5801 • [www.gha.org](http://www.gha.org)