



Charles N. Kahn III
President

December 20, 2009

The Honorable Harry Reid
Majority Leader
United States Senate
522 Hart Senate Office Building
Washington, DC 20510

Dear Leader Reid:

On behalf of the Federation of American Hospitals (FAH) and our nearly 1,000 investor-owned or managed community hospitals and health systems throughout the United States, I am writing to express our support for the Patient Protection and Affordable Care Act (H.R. 3590), as amended.

This summer, to help achieve health care reform, and contribute to near-universal health coverage for Americans, hospitals agreed to accept substantial reductions in Medicare and Medicaid payments. We are pleased with the progress of health reform as well as the movement towards using market solutions to expand coverage.

The FAH is particularly pleased that H.R. 3590, as amended, would increase access to affordable, quality coverage; create market-based exchanges with private coverage and subsidies for lower income Americans; and implement important delivery reforms such as value-based purchasing, a prospective ban on self-referral to physician-owned hospitals, and voluntary pilots to test bundled payments across an episode of care.

To be sure, H.R. 3590 as amended would benefit from further improvements in several important areas, especially expanded coverage. In our view, the final health reform legislation should cover more uninsured Americans to ensure the kind of health care security Americans deserve and expect. In addition, the hospital readmissions policy falls short by not sufficiently focusing on those readmissions that are preventable and avoidable. We look forward to continuing our work with Congress and the Administration on such improvements as this legislation heads to completion.

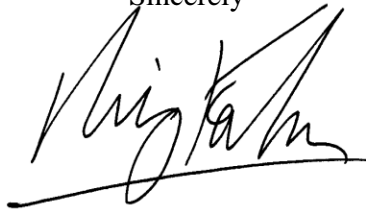
In the meantime, the members of FAH urge all Senators to vote for this historic legislation.

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As President Obama has stressed, the status quo is unacceptable. It is our belief that H.R. 3590, as amended, will move this country closer to the day when Americans can achieve true health security, knowing that they will have the coverage and care that they need when they need it.

We commend and thank you for your strong and steady leadership in advancing this legislation. We also applaud you as well as Chairman Baucus, Chairman Dodd, Chairman Harkin, and the many other Senators who have worked so hard and so long, and in the best interests of all Americans, to bring us to this pivotal moment.

Sincerely

A handwritten signature in black ink, appearing to read "Virginia K. Williams", written over a horizontal line.