



FOR IMMEDIATE RELEASE

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FAH BACKS IOM QUALITY COMMITMENT, CAUTIONS AGAINST ARBITRARY PAYMENT CUTS

The following statement was released today by Chip Kahn, President of the Federation of American Hospitals:

We appreciate the continued commitment of the Institute of Medicine to reforming the nation's health care system and improving quality and the value of service to all Americans.

Along with its public and private stakeholder partners in the Hospital Quality Alliance and the Ambulatory Quality Alliance, the Federation is already involved with unprecedented efforts to transform our nation's health care by making hospitals and physicians accountable to the public by reporting their clinical and performance data. This initiative, which will expand to include public reporting of health outcomes and efficiency measures, has great potential for improving patient quality and safety while reducing medical costs. At the same time, these efforts have been boosted by President Bush's recent Executive Order, as well as Congressional action in the Deficit Reduction Act of 2005 (DRA).

So, the final chapter remains to be written about the effectiveness of these measurement and reporting efforts versus the need to do pay for performance. Additionally, we are very concerned that the best intentions of the IOM report may be subverted. While IOM's laudable goal is to improve quality, it would be unfortunate if its recommendations were to serve as a Trojan horse for arbitrary Medicare payment cuts to meet budget targets.

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The Federation of American Hospitals is the national representative of investor-owned or managed hospitals and health systems. Our members include general community and teaching hospitals in urban and rural areas as well as rehabilitation, long-term acute care, cancer, and psychiatric hospitals.