



## ***“Voice of the Western Slope Since 1953”***

*A coalition of individuals, businesses and local governments*

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### **HC 05 2**

#### **SPECIALTY HOSPITALS, SUPPORT FOR CONTINUATION OF MORATORIUM**

**WHEREAS** full-service community hospitals, which are expected to provide health care services to all who come through their doors, depend on the profitable services and paying patients to subsidize the cost of providing lower reimbursed services and services to those who cannot pay; and

**WHEREAS**, in recent years, some physicians have started for-profit private “specialty hospitals” to provide limited services to meet the most profitable healthcare demands, and these specialty hospitals have taken profitable business away from community hospitals thereby reducing the ability of community hospitals to bear the burden of providing less profitable services and services to those who cannot pay; and

**WHEREAS** the increasing underfunding of publically-funded medical services necessitates a cost-shift within the community hospitals that is passed on to patients in the local communities or is absorbed as a loss by the community hospitals, compromising their ability to provide health services such as trauma care, intensive care units, emergency rooms and delivering of babies, to the community; and

**WHEREAS**, in recognition of the potential adverse impact which specialty hospitals have on the ability of community hospitals to provide basic health services to all citizens, Congress placed in 2003 a moratorium banning physician self-referral to new or expanded specialty hospitals to allow adequate time to study these impacts;

**WHEREAS** the findings of the independent congressionally-directed study on this issue (known as the MedPAC Study) include that,

- physician-owned specialty hospitals do not have lower medical costs per case;
- the majority of such specialty hospitals do not have an emergency department;
- *specialty hospitals tend to treat lower shares of Medicaid patients and a more profitable patient mix;*

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**THEREFORE BE IT RESOLVED** that Club 20 urges the Colorado Congressional Delegation to follow the Medicare Payment Advisory Commission's (MedPAC's) unanimous recommendation and extend the moratorium on specialty hospitals, in order to ensure that these specialty hospitals do not have an adverse impact on the ability of full-service community hospitals to provide a full-range of basic patient care to all members of the community.

*Adopted 4/1/05*

*Amended 4/9/10*