



Greater New York Hospital Association

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 Kenneth E. Raske, President

May
 Thirty
 2002

The Honorable Bill Thomas, Chairman
 House Ways and Means Committee
 U.S. House of Representatives
 Washington, D.C. 20515

Dear Chairman Thomas:

On behalf of the Greater New York Hospital Association (GNYHA), I would like you to know that we view the provider provisions of your latest draft Medicare legislation, as we understand them at this time, to be a good first step toward protecting America's health care system from damaging Medicare reimbursement rate cuts that could threaten the viability of institutions the nation is relying upon now more than ever. Your leadership in drafting this legislation is appreciated.

Americans have always relied upon their teaching hospitals to provide cures for the most complicated medical conditions. Now, the country is also looking to these institutions to be the first line of defense against future potential disasters, including biological, chemical and nuclear events. We may feel this most acutely in New York and Washington due to the September 11 tragedy, but Americans everywhere feel vulnerable and need to know that their teaching hospitals are prepared to care for them. They need to know that their teaching hospitals have the resources necessary to develop the very best treatment protocols and procedures to deal with any eventuality.

Given this, and the fact that teaching hospitals already have the lowest overall margins of any type of hospitals, it is extremely important that they be protected from further Medicare payment reductions. The provision of your draft legislation that lessens the scheduled indirect medical education (IME) cut is a good first step, and we applaud you for it; however, we remain very concerned, as we are sure you do, that teaching hospitals will still lose funding under both the proposed IME adjustment and the Administration's direct graduate medical education savings proposal. We look forward to working with you, your colleagues, and the Administration on these provisions in the coming months to make sure that we adequately fund the teaching institutions upon which all Americans rely.

Sincerely,


 Kenneth E. Raske
 President

P.S. Sometime in the future - if your busy schedule permits I would be grateful if I could tour with me our N.Y. Hospitals