



June 25, 2003

The Honorable Dennis J. Hastert
Speaker of the House
235 Cannon House Office Building
Washington, DC 20515-0001

The Honorable William M. Thomas
Chairman
House Committee on Ways and Means
2208 Rayburn House Office Building
Washington, DC 20515-0001

The Honorable W. J. "Billy" Tauzin
Chairman
House Committee on Energy and Commerce
2183 Rayburn House Office Building
Washington, DC 20515-0001

Dear Speaker Hastert, Chairman Thomas and Chairman Tauzin:

On behalf of the hospitals of the State of Alabama I commend you, other members of the House Republican leadership, and all those who cosponsor the *Medicare Prescription Drug and Modernization Act of 2003* for its Medicare reforms and the drug coverage it would provide for seniors and the disabled. We urge members of the entire U.S. House of Representatives to support and vote for the bill as it is considered by the House.

The *Medicare Prescription Drug and Modernization Act of 2003* also includes important provisions that would enhance rural hospital care and ensure its continued viability. All hospitals in this state, many of which are struggling for their very survival, would benefit from this important legislation. We applaud the immediate implementation of these provisions, which will make a major difference for Medicare beneficiaries in rural and small town America.

However, we must express two concerns about the legislation. First, the bill would reduce future Medicare hospital market basket updates. And, second, it retains a cap on DSH percentages for rural hospitals, although a much more beneficial one than current law. We look forward to working with you and other members of the Congress on these two critical aspects of the bill as it proceeds through the legislative process.

The Alabama Hospital Association believes the *Medicare Prescription Drug and Modernization Act of 2003* would strengthen the Medicare program, and looks forward to its swift passage by the full House.

Sincerely,


J. Michael Horsley
President