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CONTACT: Richard Coorsh
(202) 624-1527
e-mail: rcoorsh@fah.org

FAH MARKS DAY ONE OF MEDICARE SEQUESTER

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

Today is the first day that the Budget Control Act's two percent across-the-board Medicare sequestration funding cuts take effect for hospitals and other providers.

This may be April Fool's day, but these arbitrary cuts are no laughing matter for America's hospitals and the millions of Medicare beneficiaries who rely upon hospitals for their care. As this chart indicates, sequestration cuts to hospitals will account for nearly half of roughly $95 billion in new hospital cuts added since 2010 on top of $320 billion in Medicare hospital cuts called for under the Affordable Care Act.

Further, sequester cuts will exacerbate significant, chronic Medicare payment shortfalls to hospitals. Data from the Medicare Payment Advisory Commission show that Medicare payments to hospitals fall far short of the cost of care, resulting in eleven consecutive years of negative margins, including a projected negative six percent in 2013.

We urge Members of Congress on both sides of the aisle to act quickly to overturn the sequester and ensure access to vital hospital services which seniors and members of the disabled community depend upon and deserve.

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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, cancer and psychiatric hospitals.