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# FAH RESPONDS TO ADMINISTRATION'S FY '14 BUDGET PROPOSAL

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

Unfortunately, the Obama Administration's budget proposal for fiscal year 2014 contains yet another new round of hospital funding cuts, piling on to the most recent hospital payment reductions used to finance half of the nearly $30 billion Medicare "doc fix" contained in the New Year's Eve fiscal cliff agreement.

Further, the Administration's new cuts would be added to more than $320 billion in hospital cuts under the Affordable Care Act and would aggravate the effects of hospital Medicare payments which have remained below the cost of care for 11 straight years. The cumulative weight of these painful, piecemeal reductions coming on top of so many other cuts is affecting access to care for seniors and disabled Americans.

Addressing our nation's fiscal challenges and increasing the efficiency of our health care system are critical path goals which demand creative, reasoned and sustainable solutions. Proposals that would continue to cut critical reimbursement to hospitals are counterproductive, mask efforts to attack the true drivers of cost in the health care system, and will make the task of finding a durable solution addressing Medicare's fiscal viability even more difficult.

We are eager to work with the Administration and Congress to develop thoughtful policies that address our nation's fiscal challenges while strengthening the Medicare program for generations to come.

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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.