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ENERGY AND POWER
HEALTH

JOHN BARROW
12TH DISTRICT OF GEORGIA

June 5, 2013

The Honorable Kathleen Sebelius
Secretary
Department of Health and Human Services
200 Independence Ave. SW
Washington, DC 20201

Dear Secretary Sebelius:

I write to express my opposition to the proposed cuts to hospitals in your FY14 Budget proposal. In particular, the cut to Medicare payments to hospitals for seniors who are unable to meet their cost sharing obligations – also known as Medicare "bad debt" payments to hospitals – concerns me.

This proposed cut to Medicare "bad debt" payments threatens to limit access to health care in my district. Every day, hospitals and health care providers balance caring for their patients and making ends meet. They cannot continue to provide health care services to patients in my district if they are not paid for the services they perform. When Medicare beneficiaries cannot pay their copays, it hurts the ability of hospitals to provide affordable health care to my constituents.

If, after a good faith effort, a health care provider is unable to recoup those costs from the patient, Medicare has had a policy of reimbursing the uncollected copays of its beneficiaries. That is a different arrangement than that enjoyed between many hospitals and private insurers, but it is justifiable because the nature of the relationship is different. Unlike their relationship with private insurers, providers can't negotiate with Medicare to recoup "bad debt." Instead, the provider relies on a reimbursement set by the federal government. I believe that further cuts, as envisioned in your budget, would be bad for the health of hospitals and patients.

I'm committed to promoting health care reforms that improve quality for all Americans while getting costs under control, so that our health care systems are sustainable. I look forward to working with you and other stakeholders to reach this achievable goal.

Sincerely,

John Barrow

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