

CHA Media Statement

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New Federal Rule Will Threaten Access to Care for Sick, Elderly Patients Who Use Hospital Outpatient Clinics

Hospitals Will Lose Millions in Medicare Payments, Resulting in Outpatient Clinic Closures

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California hospitals are deeply disappointed by today's announcement that Medicare payments to hospitals that operate off-campus outpatient clinics will be slashed by 60 percent over two years starting January 1, 2019. These clinics provide care to some of the sickest and most vulnerable patients in our communities — the elderly and people who suffer from cancer, heart disease or other complex medical conditions.

Under the new policy issued by the federal Centers for Medicare & Medicaid Services (CMS), the payment for an outpatient hospital clinic visit will drop from \$116 to \$46, similar to the amount paid for a physician's office visit. These cuts will result in hundreds of millions of dollars of losses to hospitals each year. Particularly hard hit will be facilities that treat high volumes of Medicare patients, and those that serve rural and underserved communities.

CHA believes that CMS has misconstrued the intent of Congress in implementing these cuts. In 2015, Congress determined that existing off-campus outpatient hospital clinics should continue to be paid at the same rate as outpatient departments located within hospitals, in recognition of the critical role these facilities play in their communities. The payment cuts announced today run counter to the will of Congress. The resulting fallout will endanger access to care for millions of vulnerable patients, as these clinics may be forced to downsize or close altogether.

CHA will support the efforts of the American Hospital Association (AHA) as it seeks a legal remedy to this punitive policy. We also call on our Congressional leaders to protect the sick and the elderly who rely on hospital outpatient clinics for their medical care.

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