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**PHYSICIAN HOSPITALS OF AMERICA OPPOSES PENDING**

**LEGISLATION THAT STIFLES PHYSICIAN OWNERSHIP OF HOSPITALS**

On July 25, 2007, the Energy and Commerce Committee of the U.S. House of Representatives introduced H.R. 3162, The Children's Health And Medicare Protection (CHAMP) Act Of 2007. The proposed bill seeks to renew the State Children's Health Insurance Program (SCHIP) and establish new Medicare parameters. One provision, however, adversely affects physician owned hospitals and the patients they serve.

Section 651 of the CHAMP Act bill eliminates the ability of physicians to refer patients to hospitals in which they have an ownership interest. It takes away from physicians their right to develop, own, and operate hospitals. Additionally, the approximate 150 currently existing physician hospitals would be prevented from any growth or expansion, and would face severe curtailment in ownership, funding, and operating abilities.

Physician Hospitals of America (PHA) opposes this provision in the CHAMP legislation as it would effectively shut down every physician owned hospital in the country. This includes rural and inner city hospitals that doctors have purchased to keep from closing. Its breadth encompasses general community hospitals and specialized centers of excellence. "The real losers are Medicare's beneficiaries who receive medical care at these facilities," states Molly (Gutierrez) Sandvig, PHA Executive Director.

**While CHAMP has many important and positive sections, like the much needed reauthorization of SCHIP, PHA will fight this proposal as vigorously as possible on behalf of our members and the patients they serve.**