

# Congress of the United States

## House of Representatives

Washington, D.C. 20515

January 13, 2009

The Honorable Nancy Pelosi  
Speaker of the House  
U.S. House of Representatives  
Washington, D.C. 20515

Dear Speaker Pelosi:

The State Children's Health Insurance Program (SCHIP), H.R. 2, a bill that will be brought to the House floor tomorrow includes a provision that affects physician ownership of hospitals. The issue of physician ownership of hospitals is one that falls squarely within the jurisdiction of the Energy and Commerce Committee. There is a long history of our Committee's involvement in the discussion around this issue and it would be unfortunate if, along with the issue of SCHIP reauthorization, it fell victim to a hasty process by which getting a bill to the floor and out the door took precedence over Committee jurisdiction, process, and good policy.

Despite the repeated demonstrations that these hospitals provide high quality care for patients and achieve high patient satisfaction, there were four attempts to eliminate these hospitals in the last Congress alone. Fortunately, these efforts have not prevailed to date, partly due to a simple truth -- these few physician-owned hospitals are doing a great job. Patients like receiving their care there, physicians and nurses like working there, and these hospitals continue to top the charts in terms of health care quality, particularly for cardiac, orthopedic, and maternity care. Physician-owned hospitals are driving a standard of health care quality that patients should demand from all providers. In addition, physician-owned hospitals also provide care in many rural areas of this country where patients have few health care options.

Some may try to frame this issue as one that is necessary to generate savings to the Medicare program to offset spending in the SCHIP program. In years past, the Congressional Budget Office (CBO) has projected minimum savings to the Medicare program as a result of limitations on physician-owned hospitals. However, the CBO changed its score of this provision multiple times during the past Congress. Therefore, it is inappropriate to assert that prohibiting physician ownership of hospitals will generate any real savings to be used as an offset.

Speaker Pelosi, this is an issue where we should tread carefully. We should afford more thorough examination of the costs and savings associated with prohibiting physician ownership of hospitals and careful deliberation to the impact such policy would have upon access to high quality health care. I ask that you reserve this determination for members of the Committee before this issue proceeds to the floor. I firmly believe that physician-owned hospitals provide a model of high quality care that should be considered before expeditiously discarded by tacking it onto the SCHIP bill.

Sincerely,

A handwritten signature in black ink that reads "Joe Barton". The signature is written in a cursive style with a large, sweeping initial "J".

Joe Barton  
Ranking Member  
Committee on Energy and Commerce

cc: The Honorable Henry A. Waxman, Chairman  
Committee on Energy and Commerce