



# Code Blue

In hospitals, Code Blue means vital signs are failing... the patient is fading fast.

But now there is a "Code Blue"... for thousands of American hospitals.

\$21 billion in cuts to Medicare and Medicaid payments to hospitals are about to hit. At the same time, other powerful factors are battering the health of our hospitals and threatening their ability to provide top-notch patient care:

- Hospitals are experiencing severe workforce shortages — 168,000 unfilled positions (75% are for registered nurses);
- Post 9/11, hospitals may need to invest as much as \$11 billion to upgrade readiness capabilities to meet nuclear, biological and chemical emergencies;
- Millions of Americans have no health insurance coverage. Hospitals — by their own mission and by federal law — serve as America's health care safety net;



- New federal regulatory mandates will impose administrative and paperwork burdens. Complying with the Health Insurance Portability and Accountability Act's privacy regulations alone are expected to cost hospitals as much as \$22 billion.

All this is in addition to the looming \$21 billion in new Medicare and Medicaid cuts.

But Congress can respond to our "Code Blue" by:

1. Rejecting any budget-neutral proposal that seeks to cut one provider to address the needs of another.
2. Passing the bipartisan American Hospital Preservation Act (H.R.1556/S.839) and providing hospitals with at least an inflationary adjustment to their rates, as well as preventing implementation of reductions to teaching hospitals.
3. Passing the bipartisan Medicaid Safety Net Hospital Continued Preservation Act (H.R.854/S.572) to prevent further cuts to hospitals that serve the poor, the disabled and America's children.
4. Passing the bipartisan Area Wage and Standardized Rate bill (H.R.1609/S.885) so hospitals can better attract and retain health care workers.

It's "Code Blue" for hospitals. Urgent action is needed.

## A message from the American Hospital Association



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