

File Kinder
Medicare/HR

Julie

Call this guy - Perry
Kinder - tell him
I'm on vacation,
that you've forwarded
telegram to Chris
Jennings.

CHR

WESTERN UNION TELEGRAM

ISSUE DATE: 08/16/95 MsgCtrlNo: 999 015 0210
S016614475 FRB TDXN LITTLE ROCK AR 167 08-16 1135A EST

CAROL RASCO, SENIOR DOMESTIC POLICY ADV,
DOMESTIC POLICY COUNCIL,

CAPITOL ONE DC 20510

RE: PROPOSED "PROPERTY TAX" ADJUSTMENT FOR MEDICARE CAPITAL PAYMENT

CAROL,

PLEASE ENCOURAGE HCFA ADMINISTRATOR, BRUCE VLADEK, AND OMB ASSOCIATE DIRECTOR FOR HEALTH PERSONNEL, NANCY-ANN MIN, TO INCLUDE IN THEIR FINAL ANNUAL RULE-MAKING FOR CHANGES IN THE MEDICARE PROSPECTIVE PAYMENT SYSTEM AN ADJUSTMENT TO THE CAPITAL PPS PAYMENT FOR HOSPITALS PAYING PROPERTY TAXES OR MAKING PAYMENTS-IN-LIEU OF TAXES. HCFA, AT THE TIME IT IMPLEMENTED THE MEDICARE PROSPECTIVE PAYMENT SYSTEM FOR CAPITAL, RECOGNIZED PROPERTY TAXES AND SIMILAR PAYMENTS AS A CAPITAL-RELATED EXPENSE, UNIQUE AND SPECIFIC TO IDENTIFIABLE HOSPITALS. HOWEVER, HCFA HAD INSUFFICIENT DATA TO PROVIDE AN ADJUSTMENT TO THE CAPITAL PROSPECTIVE PAYMENT FOR THOSE HOSPITALS. HCFA NOW HAS THE DATA, AND IS CONSIDERING THIS IN ITS ANNUAL RULE-MAKING PROCESS. IN EFFECT, TAX-PAYING HOSPITALS HAVE BEEN UNDERPAYED AND THE NON-TAX PAYING HOSPITALS HAVE BEEN OVERPAYED. HOWEVER, TO CORRECT THIS SITUATION, THE ADJUSTMENT IS ONLY \$150 MILLION DOLLARS--LESS THAN 1/10TH OF 1 PERCENT (.001) OF TOTAL MEDICARE HOSPITAL PAYMENT. PLEASE ENCOURAGE THIS FAIR AND

APPROPRIATE CHANGE IN THE HCFA ANNUAL RULE-MAKING

UNION

THANK YOU

W. PERRY KINDER PRESIDENT GEO

C/O COLUMBIA DOCTORS HOSPITAL

(501) 661-4475

6101 WEST CAPITOL AVE

LITTLE ROCK

AR 72205

1135 EST

Msg Seq No. : 60231

THE WHITE HOUSE
OFFICE OF DOMESTIC POLICY

CAROL H. RASCO
Assistant to the President for Domestic Policy

To: Jennings _____

Draft response for POTUS
and forward to CHR by: _____

Draft response for CHR by: _____

Please reply directly to the writer
(copy to CHR) by: _____

Please advise by: _____

Let's discuss: _____

For your information: _____

Reply using form code: _____

File: _____

Send copy to (original to CHR): _____

Schedule ? : Accept Pending Regret

Designee to attend: _____

Remarks: _____
