

11-16-1966

**Correspondence, John C. Stennis, William H. Stewart, November  
16-December 14, 1966**

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[REDACTED]  
[REDACTED]  
MERIDIAN, MISSISSIPPI  
[REDACTED]

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DeKALB

November 18, 1966

Senator Stennis  
DeKalb, Mississippi

Dear Senator Stennis:

As a member of the staff of [REDACTED], I am disturbed by the enclosure, which represents an absurdity. Until the HEW realistically looks at the cost plus basis of their payments, it will continue to be so. It is my understanding that another local hospital has not applied for participation in the Medicare Program in any way because of inadequate compensation. Further a new nursing home, in the building stages, is not interested in accepting Medicare residents for the same reason.

What is the true motivation of the Federal government? If, as it superficially looks, a service to the people is the object, then let the government reimburse participating organizations at the same level these hospitals, nursing homes, etc. charge other clients.

It sometimes seems that the Veteran Administration, Social Security Administration and other government agencies are all asking us to perform certain work for them at the going rate minus 25-33 1/3 percent or entirely gratis. When tax collection time comes, as we all know, no mercy is shown to the payer.

I realize that this is entirely out of your usual activities, but it is my sincere belief that your well deserved position of prestige and power in Washington can have more influence than any member of our congressional delegation.

I speak only for myself, without any outside solicitation, altho I feel certain most or all of the members of the medical profession feel similarly. I implore your serious study of this matter.

Yours sincerely,  
[REDACTED]

[REDACTED]  
Enclosure

ADMINISTRATOR

MERIDIAN, MISSISSIPPI

TO ALL THE STAFF

Dear Doctor:

I regret to inform you that as of today, November 16, 1966, we will no longer be able to accept any patients who are classified as being eligible for part A of the Medicare Program on an Emergency basis.

We thought that we would be rendering a public service and that we would not suffer too much loss if we accepted a few emergency Medicare patients. We find that we have admitted 23 in the past month. We find also that 90% of actual marginal cost is all HEW will pay for these patients, another method of applying pressure.

We cannot afford to care for these patients at a loss of 10 to 15% and maintain our same degree of service and at the same time be fair to the patient who pays his own bill, and to the insurance carrier who pays the bill in the patient's behalf.

It is likely that in due time we will be approved by H.E.W. for the treatment and care of Medicare patients. If we do embark completely on this program, the reimbursement will at least be adequate enough to live with.

Under a complete participation program we would be reimbursed our cost plus 2% with the opportunity to collect the \$40.00 deductible from the Medicare patient. In addition, the fiscal intermediary, which in this case is Blue Cross, would be allowed to adjust our patient day cost retroactively on a fiscal year basis. They are not permitted to do this for a hospital which is on an emergency Medicare basis only.

Please be assured that it is our sincere desire to render the best possible care to your patient. In order to do this we must continue to remain in a solvent condition. To remain solvent we must collect a normal profit over cost.

We will appreciate your cooperation.

Sincerely yours,

RICHARD B. RUSSELL, GA., CHAIRMAN

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## United States Senate

COMMITTEE ON ARMED SERVICES

DeKalb, Mississippi  
December 14, 1966

[REDACTED]  
Meridian, Mississippi

Dear [REDACTED]:

Thank you for your recent letter regarding the refusal of the Surgeon General to pay more than ninety percent of the cost of treating emergency Medicare patients in hospitals which do not participate in the Medicare Program.

I appreciate your calling this serious problem to my attention. It is certainly unreasonable for the Government to expect the hospital to absorb a ten or fifteen percent loss on every emergency patient it treats. It is also extremely unfair to the patient who has already paid fully for medical treatment through his contributions to Social Security.

I am deeply concerned over this matter and I have sent a strong protest to the Surgeon General urging him to revise his regulations to correct this inequity. I assure you that the way in which the Medicare Program is administered will continue to have my attention, and I am hopeful that many of the problems which have come to light can be solved in the next session of Congress.

Sincerely yours,

John Stennis  
United States Senator

JS/mp

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## United States Senate

COMMITTEE ON ARMED SERVICES

WILLIAM H. DARDEN, CHIEF OF STAFF  
CHARLES B. KIRBOW, CHIEF CLERK

December 12, 1966

Honorable William H. Stewart  
Surgeon General  
Public Health Service  
Department of Health, Education and Welfare  
Washington, D.C.

Dear Mr. Stewart:

It has come to my attention that Medicare patients who receive emergency treatment at a hospital which is not qualified to participate in the Medicare Program are being discriminated against. It is my understanding that non-participating hospitals are reimbursed only eighty-five percent of their charges for emergency services. The difference must be absorbed by the hospital or paid by the patient. This is exceedingly unfair to the patient who has no control over the administration of the hospital and little choice as to where he will be taken for emergency treatment.

I realize the rationalization for discounting the charges of a non-participating hospital is that they do not submit the same detailed financial reports as participating hospitals. Nevertheless, this is a rather crude solution to the problem. Emergency cases are exceptional cases requiring exceptional rules. I strongly urge you, therefore, to re-examine your regulations to see if they cannot be revised to establish satisfactory accounting methods without penalizing innocent patients.

Sincerely yours,

John Stennis  
United States Senator

JS/mp