

WASHINGTON -- A Bellevue hospital now under construction is caught up in a legislative battle on Capitol Hill.

The \$135 million Bellevue Medical Center -- set to open next year at Highway 370 and 25th Street -- will offer emergency care, intensive care and other medical services to those living in and around Nebraska's third-largest city.

The facility also will offer inpatient care -- which hasn't been available at the area's other medical facility, Ehrling Bergquist Clinic on Offutt Air Force Base-- since 2005.

But a proposal in Congress would throw a wrench into the project.

The proposal would bar new physician-owned hospitals from receiving Medicare reimbursements. Those reimbursements represent a substantial portion of a hospital's revenue, and the facility would not be able to operate without them.

The Nebraska Medical Center owns 60 percent of the new Bellevue hospital, and UNMC Physicians, a medical practice of University of Nebraska Medical Center faculty, owns 20 percent. Private physicians in Bellevue own the remaining 20 percent.

Critics of physician-owned hospitals say they represent inherent conflicts of interest because the doctors involved stand to profit from ordering expensive tests, even if the tests are unnecessary.

They also say physicians who start their own specialty hospitals cherry-pick well-insured, healthier patients who require more lucrative procedures. Poor and uninsured patients are then sent to community hospitals.

Backers of the Bellevue hospital have been making their case to members of Congress that it represents a unique facility, and that it isn't the intended target of the prohibition and should not be subjected to it.

They say it will be the community hospital for the area, serving a population of 100,000 people in Sarpy County, Plattsmouth and some Iowa communities. The new hospital also will serve as a training facility for Air Force physicians.

Representatives of the Bellevue project are flying to Washington Monday to press their case to lawmakers.

Sen. Chuck Grassley, R-Iowa, helped craft the language to stop new physician-owned hospitals and is still pushing for it.

"We have a hard time maintaining a hospital system in rural America without having cherry-picking that goes on that multiplies the problem," Grassley said.

Grassley rejected the idea of granting a special exception for a facility such as Bellevue's, which is only partly physician-owned, but he said he was open to a compromise of grandfathering in facilities already under construction.

The prohibition was included in a children's health insurance bill passed by the House, but it was removed by the Senate. Still, it's expected to continue to be an issue and could be included

in future legislation.

Sen. Ben Nelson, D-Neb., wants the Bellevue hospital to succeed but said he supported the compromise passed by the House.

"That was the compromise -- some people wanted to ban (physician- owned hospitals) altogether, and they might have had enough votes to do that," Nelson said. "You undo the compromise, and there's no guarantee that you'll get something better."

It was not clear what would happen to the hospital if its lobbying effort failed, but it could look for someone to buy out the doctors' share of the project.

When Rep. Lee Terry, R-Neb., spoke on the House floor against the prohibition, he displayed a photo of the half-finished Bellevue Medical Center and cited its importance to the surrounding community.

"We will be shutting this down," Terry said.

