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## LOBBYING REPORT

Lobbying Disclosure Act of 1995 (Section 5) - All Filers Are Required To Complete This Page

1. Registrant Name <b>BAKER Healthcare Consulting, Inc.</b>	
2. Address <input type="checkbox"/> Check if different than previously reported <b>One American Square, Suite 2000 Box 82058</b>	
3. Principal Place of Business (if different from line 2) City: <b>INDIANAPOLIS</b> State/Zip (or Country) <b>IN 46282</b>	
4. Contact Name <b>DALE E. BAKER</b>	Telephone <b>317-631-3613</b>
E-mail (optional) <b>BAKERHEALTHCARE@bakera.com</b>	5. Senate ID # <b>5164</b>
7. Client Name <input type="checkbox"/> Self <b>Muhlenberg Hospital Center</b>	6. House ID # <b>33560</b>

TYPE OF REPORT 8. Year 1999 Midyear (January 1-June 30)  OR Year End (July 1-December 31)

9. Check if this filing amends a previously filed version of this report

10. Check if this is a Termination Report  → Termination Date \_\_\_\_\_ 11. No Lobbying Activity

<b>INCOME OR EXPENSES - Complete Either Line 12 OR Line 13</b>	
<p align="center"><b>12. Lobbying Firms</b></p> <p>INCOME relating to lobbying activities for this reporting period was:</p> <p>Less than \$10,000 <input checked="" type="checkbox"/></p> <p>\$10,000 or more <input type="checkbox"/> ⇒ \$ _____ Income (nearest \$20,000)</p> <p>Provide a good faith estimate, rounded to the nearest \$20,000, of all lobbying related income from the client (including all payments to the registrant by any other entity for lobbying activities on behalf of the client).</p>	<p align="center"><b>13. Organizations</b></p> <p>EXPENSES relating to lobbying activities for this reporting period were:</p> <p>Less than \$10,000 <input type="checkbox"/></p> <p>\$10,000 or more <input type="checkbox"/> ⇒ \$ _____ Expenses (nearest \$20,000)</p> <p><b>14. REPORTING METHOD.</b> Check box to indicate expense accounting method. See instructions for description of options.</p> <p><input type="checkbox"/> Method A. Reporting amounts using LDA definitions only</p> <p><input type="checkbox"/> Method B. Reporting amounts under section 6033(b)(8) of the Internal Revenue Code</p> <p><input type="checkbox"/> Method C. Reporting amounts under section 162(e) of the Internal Revenue Code</p>

Signature Dale E Baker

Printed Name and Title DALE E. BAKER, President

Registrant Name: BAKER Healthcare Consult Client Name: Muhlenberg Hospital Center

**LOBBYING ACTIVITY.** Select as many codes as necessary to reflect the general issue areas in which the registrant engaged in lobbying on behalf of the client during the reporting period. Using a separate page for each code, provide information as requested. Attach additional page(s) as needed.

15. General issue area code MMM (one per page)

16. Specific lobbying issues

See Attachment

17. House(s) of Congress and Federal agencies contacted

Check if None

Senate  
House of Representatives

18. Name of each individual who acted as a lobbyist in this issue area

Name	Covered Official Position (if applicable)	New
<u>DALE E. BAKER</u>		<input type="checkbox"/>
		<input type="checkbox"/>
		<input type="checkbox"/>
		<input type="checkbox"/>
		<input type="checkbox"/>
		<input type="checkbox"/>
		<input type="checkbox"/>
		<input type="checkbox"/>

19. Interest of each foreign entity in the specific issues listed on line 16 above

Check if None

Signature: Dale E. Baker Date: 2-3-2006  
Printed Name and Title: DALE E. BAKER, President

## EXECUTIVE SUMMARY

In 1989 Congress established the Medicare Geographic Classification Review Board. The Board accepts applications for hospitals that can show that they meet certain criteria to be reclassified either from a rural area to an adjacent urban area or from one urban area to another adjacent urban area if the hospital can demonstrate that its costs are more like the adjacent area. This allows such hospitals to obtain either a wage index or the standardized amount of the adjacent area and in essence rewards the hospital with additional payment. The Department of Health and Human Services has long recognized that by reclassifying a high paid rural hospital into a nearby urban area, if the high paying hospitals wages and hours are removed from the statewide rural areas wage index, then the statewide rural wage index would plummet causing the remaining rural hospitals to have a lower wage index and therefore lower Medicare payment. The Health Care Financing Administration implemented a "floor" to prevent the rural hospital wage index from going down as a result of hospitals reclassifying to urban areas. In essence, they left the reclassifying hospitals wages and costs in the rural wage index.

Congress, however, apparently failed to consider that an urban hospital reclassifying to another urban area could similarly cause the remaining hospitals in the original area to end up with a lower wage index and thereby lower payment as a result of the reclassification of one or more hospitals out of that Metropolitan Statistical Area (MSA).

The hospitals seek either a regulatory or legislated "floor" which would protect the un-reclassified urban hospitals in exactly the same way Congress has protected the rural hospitals since geographic reclassification was implemented in federal fiscal year 1992.