The Honorable Nancy Pelosi  
Speaker  
U.S. House of Representatives  
H232 U.S. Capitol  
Washington, DC 20515  

Dear Speaker Pelosi:

The Administration recently promulgated the Inpatient Prospective Payment System (IPPS) regulation, which will restrict the ability of millions of patients to access critical hospital services, when it becomes effective on October 1, 2007. The IPPS regulation adopts the Medicare Severity Diagnosis Related Groups (MS-DRG), which bases hospital reimbursements on the complexity of medical diagnoses and services. The regulation also imposes a 1.2 percent behavioral offset cut to total payments for services provided to Medicare patients in FY08; a 1.8 percent reduction in FY09; and a 1.8 percent reduction in FY10. This results in a $20.3 billion cut in operating and capital payments to hospitals over the next five years.

Congress has consistently expressed concerns about the Administration’s steps to move forward with the IPPS regulation. In June, 269 bipartisan members voiced opposition to the regulation in a letter sent to CMS. The Senate followed suit with a similar letter of opposition that was signed by 64 Senators. Most convincingly, we recently passed an amendment offered by Representatives John Lewis (GA), Peter Welch (VT), and Jerry Weller (IL) to the Labor-HHS-Education Appropriations bill to avert the damaging IPPS provisions by an overwhelming majority of 412 to 12.

Unfortunately, the Administration has failed to respond to the letters in an appropriate fashion and has continued to move forward with these provisions opposed by the majority of both the House and Senate. We therefore urge you to consider legislative avenues, including the Continuing Resolution, to protect seniors by preventing certain provisions of this regulation from becoming effective on October 1. Enacting the Lewis-Welch-Weller amendment or similar legislation, would provide Congress with sufficient time to exercise its oversight responsibilities and would ensure that we fully understand the impact of the proposed behavioral offset on our nation’s health care system.

Thank you for your time and consideration of this request. We stand ready to work with you on this critical issue.

Sincerely,

Hoon Almire  
Member of Congress  

Peter Welch  
Member of Congress
Heath Shuler  
Member of Congress

Kathy Castor  
Member of Congress

Hank Johnson  
Member of Congress

Chris Murphy  
Member of Congress