

May 16, 2023

Urge Your Senators and Representatives to Sign Bipartisan Letters to CMS Urging Agency to Boost Hospital IPPS Rates

Current deadline for Senate letter is May 23; House letter is May 25

Sens. Bob Menendez, D-N.J., and Kevin Cramer, R-N.D., are asking their Senate colleagues to sign onto a [letter](#) urging the Centers for Medicare & Medicaid Services (CMS) to re-evaluate the agency's fiscal year (FY) 2024 inpatient prospective payment system (IPPS) proposed rule and consider using its special exceptions and adjustments authority to revise the IPPS final rule, ensuring that hospitals have the resources they need to deliver high quality care. Reps. Carol Miller, R-W.Va., and Brad Schneider, D-Ill., are spearheading a similar [letter in the House](#) and encouraging representatives to sign on.

In FY 2022, CMS finalized a market basket payment update of 2.7% based on data that did not anticipate or incorporate the record high inflation and significant increases in the costs of labor, drugs and equipment, according to the letter. In addition, with more recent data available, the actual market basket update for 2022 is 5.7%, a 3.0% variance from the CMS estimates. The proposed FY 2024 payment update would severely exacerbate this problem and does not properly recognize the high financial pressures that hospitals currently face.

Both letters request that CMS consider using its special exceptions and adjustments authority to make a retrospective adjustment to account for the difference between the market basket update that was implemented for FY 2022 and what the market basket actually is for FY 2022.

TAKE ACTION

Please contact your senators and representatives today and urge them to sign onto the letters that will be sent to CMS Administrator Chiquita Brooks-LaSure. The current deadline for the Senate letter is Tuesday, May 23. The current deadline for the House letter is Thursday, May 25. It's important that we get as many senators and representatives to sign on as possible to demonstrate that this is a bipartisan priority for Congress. CMS is expected to issue the FY 2024 IPPS final rule on or around August 1.

FURTHER QUESTIONS

If you have any questions, please contact Devin Gerzof, AHA's senior associate director of federal relations, at dgerzof@aha.org.