

United States Senate

WASHINGTON, DC 20510

June 12, 2023

The Honorable Chiquita Brooks-LaSure
Administrator, Centers for Medicare & Medicaid Services
U.S. Department of Health and Human Services
200 Independence Avenue SW
Washington, DC 20201

Dear Administrator Brooks-LaSure,

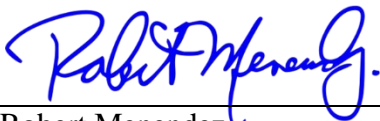
We write today to express our concern regarding the proposed payment updates included in the Centers for Medicare & Medicaid Services' (CMS) inpatient prospective payment system (IPPS) proposed rule for fiscal year (FY) 2024. We are concerned that the proposed payment updates do not fully account for the current cost of care and will result in an overall payment reduction for hospitals in FY2024. We request CMS consider using its special exceptions and adjustments authority to update the proposed payment update in the final IPPS rule.

In the FY2024 proposed rule, CMS relies on historical data that does not predict the impact of the current elevated cost of providing care and the increased growth in expenses due to labor and supply chain costs. Additionally, the productivity update included in the proposed rule assumes hospitals can replicate the general economy's productivity gains. However, in reality the critical financial pressures that hospitals and health systems continue to face have resulted in productivity declines, not gains.

Conditions like the ones currently facing hospitals require a heightened review of payment policy. We respectfully 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. These important changes will ensure Medicare payments for acute care services more accurately reflect the cost of providing hospital care today and for the coming year.

On behalf of our hospitals and health systems nationwide, we appreciate your attention to these concerns. We look forward to working with you on these important issues.

Sincerely,




Robert Menendez
United States Senator



Kevin Cramer
United States Senator



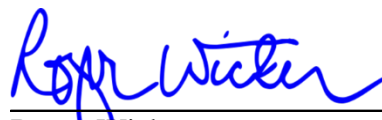
Debbie Stabenow
United States Senator



Shelley Moore Capito
United States Senator



M. Michael Rounds
United States Senator



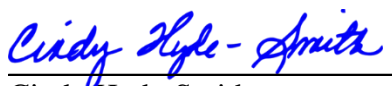
Roger Wicker
United States Senator



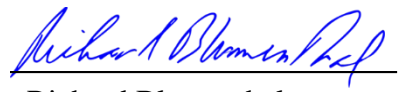
Alex Padilla
United States Senator



Jerry Moran
United States Senator



Cindy Hyde-Smith
United States Senator



Richard Blumenthal
United States Senator



Kirsten Gillibrand
United States Senator



Peter Welch
United States Senator



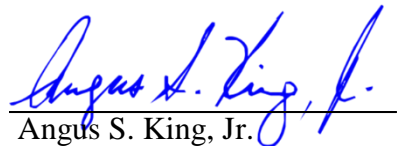
Thomas R. Carper
United States Senator



Sheldon Whitehouse
United States Senator



Susan M. Collins
United States Senator



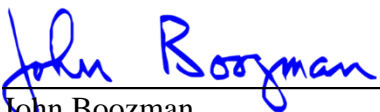
Angus S. King, Jr.
United States Senator



Mark R. Warner
United States Senator



Jacky Rosen
U.S. Senator




John Boozman
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Christopher A. Coons
United States Senator




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Thom Tillis
United States Senator




James Lankford
United States Senator




Tommy Tuberville
United States Senator




Sherrod Brown
United States Senator



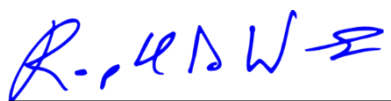
Amy Klobuchar
United States Senator



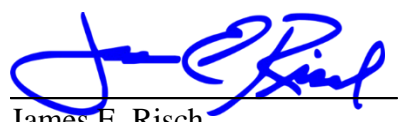
Tina Smith
United States Senator



Dianne Feinstein
United States Senator



Raphael Warnock
United States Senator



James E. Risch
United States Senator



Marsha Blackburn
United States Senator



Katie Boyd Britt
United States Senator



John Hoeven
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Bill Hagerty
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