

November 12, 2024

The Honorable Mike Johnson
Speaker
U.S. House of Representatives
Washington, DC 20515

The Honorable Hakeem Jeffries
Democratic Leader
U.S. House of Representatives
Washington, D.C. 20515

The Honorable Charles E. Schumer
Majority Leader
United States Senate
Washington, DC 20510

The Honorable Mitch McConnell
Republican Leader
United States Senate
Washington, DC 20510

Dear Speaker Johnson, Leader Schumer, Leader Jeffries, and Leader McConnell:

On behalf of our nearly 5,000 member hospitals, health systems and other health care organizations, our clinician partners — including more than 270,000 affiliated physicians, 2 million nurses and other caregivers — and the 43,000 health care leaders who belong to our professional membership groups, the American Hospital Association (AHA) writes regarding the forthcoming government funding deadline.

Hospitals and health systems are experiencing significant financial pressures that challenge their ability to provide 24/7 care for the patients and communities they serve. Increased expenses for drugs and supplies, inflation and the mounting burden due to certain commercial health insurer denial and delay practices continue to strain hospitals and health systems. At the same time, underpayments in reimbursements from Medicare and Medicaid do not keep pace with these mounting costs and exacerbate the problems hospitals are having.

As Congress begins to focus on its end-of-the-year work, America's hospitals and health systems respectfully request that you consider the following priorities.

Address the Medicaid Disproportionate Share Hospital (DSH) Payment Reductions. The Medicaid DSH program provides essential financial assistance to hospitals that care for our nation's most vulnerable populations — children, impoverished, disabled and elderly. The fiscal year 2025 Medicaid DSH payment reductions are scheduled to be implemented on Jan. 1, 2025, when \$8 billion in



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reductions take effect. Congress should continue to provide relief from the Medicaid DSH cuts.

Protect Rural Communities' Access to Care. We urge Congress to continue the Medicare-dependent Hospitals and Low-volume Adjustment programs. These programs provide rural, geographically isolated and low-volume hospitals additional financial support to ensure rural residents have access to care. These programs expire on Dec. 31, 2024. Congress should also enact a technical correction to remove barriers for Rural Emergency Hospitals to receive hospital-level reimbursement for outpatient services under Medicaid.

Reject Site-neutral Payment Proposals. We strongly oppose efforts to expand site-neutral payment cuts to include essential drug administration services furnished in off-campus hospital outpatient departments (HOPDs). Current Medicare payment rates appropriately recognize that there are fundamental differences between patient care delivered in HOPDs compared to other settings. HOPDs have higher patient safety and quality standards, and, unlike other sites of care, hospitals take important additional steps to ensure drugs are prepared and administered in a safe manner for both patients and providers.

HOPDs provide care for Medicare patients who are more likely to be sicker and more medically complex than those treated at physicians' offices. This is especially true in rural and other medically underserved communities. Additional cuts will directly impact the level of care and services available to vulnerable patients in these communities.

We also call on Congress to reject legislative efforts requiring each off-campus HOPD to be assigned a separate unique health identifier from its provider as a condition of payment under Medicare or group health plans. Hospitals are already required to be transparent about the location of care delivery. This requirement would be duplicative and impose unnecessary and onerous administrative burdens and costs by needlessly requiring the overhaul of current billing practices and systems.

Hold Commercial Health Plans Accountable. Certain health plan practices, such as inappropriate care denials and delayed payments, threaten patient access to care. These practices also contribute to clinician burnout and add excessive administrative costs and burdens to the health care system. We urge Congress to pass the Improving Seniors Timely Access to Care Act (H.R. 8702/ S. 4532), bipartisan legislation supported by more than half of the members of the House and Senate. The bill would streamline the prior authorization process in the Medicare Advantage program by eliminating complexity and promoting uniformity to reduce the wide variation in prior authorization methods that frustrate both patients and providers.

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Extend Telehealth and Hospital-at-home Waivers. During the public health emergency, Congress established a series of waivers expanding access for millions of Americans and increasing convenience in caring for patients. Telehealth provides a tremendous ability to leverage geographically dispersed provider capacity to support patient demand. Congress should permanently adopt telehealth waivers and expand the telehealth workforce.

Hospital-at-home programs are a safe, innovative way to care for patients in the comfort of their homes. With over 300 hospitals with hospital-at-home programs, many other hospitals and health systems indicate they are interested in developing programs for their communities but are reluctant to do so without congressional action. We urge Congress to pass the Hospital Inpatient Services Modernization Act (H.R. 8260/S. 4350), extending the hospital-at-home waiver for five years through 2029.

Prevent Reimbursement Cuts for Physicians. Congress should take action to mitigate the scheduled physician reimbursement cuts for 2025 and to continue its work on broader reform for sustainable physician payment. Physicians have dealt with over two decades of conversion factor decrements, as well as significant staffing shortages and rising inflation in recent years. The scheduled 2.8% payment reduction in the 2025 Physician Fee Schedule would result in a significant risk to patients' access to care.

Protect America's Health Care Workers. Congress should enact the Safety from Violence for Healthcare Employees (SAVE) Act (H.R. 2584/S. 2768). This bipartisan bill would provide federal protections from workplace violence for hospital workers, similar to the protections in current law for airport and airline workers.

We appreciate your leadership and look forward to working together to ensure patients continue to have access to quality care in their communities.

Sincerely,

/s/

Richard J. Pollack
President & Chief Executive Officer