

July XX, 2022

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 to share our concern regarding the proposed payment updates included in the Centers for Medicare & Medicaid Services' (CMS) inpatient prospective payment system (IPPS) proposed rule for the upcoming fiscal year (FY) 2023. We worry the proposed payment updates do not accurately reflect today's cost of patient care and when tethered with other policy changes included in the proposed rule, would result in a payment decrease for IPPS hospitals in FY 2023. We respectfully urge CMS to further evaluate this proposal and consider using its special exceptions and adjustments authority to revise the final IPPS rule to ensure hospitals have the resources they need to provide optimal care.

The historical data CMS referenced to forecast the expected health care cost could neither predict the effect of economy-wide inflation nor the increased supply chain demand and labor cost associated with COVID-19. We are concerned that the payment update hospitals received in FY 2022 and the proposed FY2023 market basket update does not sufficiently account for these critical financial pressures. This could result in a regrettably inadequate payment update that would not provide IPPS hospitals with resources needed to provide care to the patients and communities they serve.

We've heard the reality of the uncertain conditions and challenges that hospitals continue to face and operate under due to the pandemic and inflation. We therefore respectfully urge CMS to consider using its special exceptions and adjustments authority to make a retrospective adjustment to more fairly account for the difference between the market basket update that was implemented for FY 2022 and the current projected FY 2022 market basket. We believe that this change might provide a more accurate payment update that would provide hospitals and health care providers with the necessary tools they need to provide quality care to communities they serve and ensure Medicare payments for acute care services reflect today's cost of care.

On behalf of the hospitals and health care systems in our districts and nationwide, we appreciate your attention to these concerns. We look forward to your response.

Sincerely,

Bradley S. Schneider

Member of Congress

Carol D. Miller

Member of Congress