

United States Senate

July 26, 2022

The Honorable Chiquita Brooks-LaSure
Administrator
U.S. Centers for Medicare & Medicaid Services
7500 Security Boulevard
Baltimore, MD 21244

Dear Administrator Brooks-LaSure,

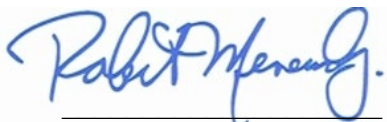
We write today to express our concern over the proposed payment updates included in the Centers for Medicare & Medicaid Services' (CMS) inpatient prospective payment system (IPPS) proposed rule for FY2023. We are concerned that the proposed payment updates do not fully account for the current cost of care and when coupled with other policy changes incorporated in the proposed rule, will result in an overall payment reduction for hospitals in FY2023. We request that CMS consider using its special exceptions and adjustments authority to update the proposed payment update in the final IPPS rule.

In the FY2023 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 COVID-19 related supply chain issues and labor costs. Additionally, the productivity update included in the proposed rule assumes hospitals can emulate the general economy's productivity gains. However, in reality the uncertain conditions hospitals continue to operate under due to COVID-19 have resulted in productivity declines, not gains. The overall health care industry continues to struggle to regain its footing in a changed world.

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 the current projected FY2022 market basket. In addition, we urge CMS to consider holding off on the productivity cut for FY2023. 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




Sherrod Brown
United States Senator



Thom Tillis
United States Senator



Kirsten Gillibrand
United States Senator



Roger Marshall, M.D.
United States Senator



Gary C. Peters
United States Senator



John Boozman
United States Senator



Raphael G. Warnock
United States Senator



Rob Portman
United States Senator



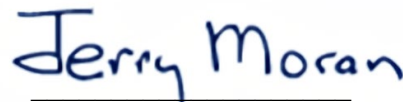
Debbie Stabenow
United States Senator



Susan M. Collins
United States Senator



Alex Padilla
United States Senator



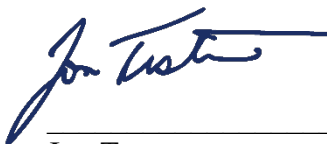
Jerry Moran
United States Senator



Joe Manchin
United States Senator



Shelley Moore Capito
United States Senator



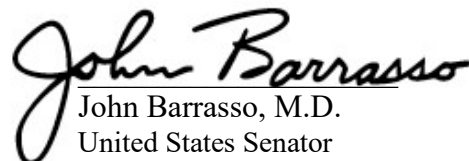
Jon Tester
United States Senator



M. Michael Rounds
United States Senator



Richard J. Durbin
United States Senator



John Barrasso, M.D.
United States Senator



Jeanne Shaheen
United States Senator



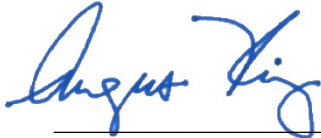
John Hoeven
United States Senator



Tammy Duckworth
United States Senator



Cindy Hyde-Smith
United States Senator



Angus S. King, Jr.
United States Senator



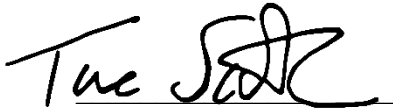
Deb Fischer
United States Senator



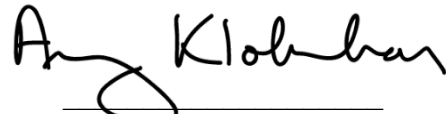
Charles E. Schumer
United States Senator



Mark R. Warner
United States Senator



Tina Smith
United States Senator



Amy Klobuchar
United States Senator