



Charles N. Kahn III
President and CEO

January 24, 2022

The Honorable Nancy Pelosi
Speaker
U.S. House of Representatives
Washington, DC 20515

The Honorable Charles Schumer
Majority Leader
U.S. Senate
Washington, DC 20510

The Honorable Kevin McCarthy
Minority Leader
U.S. House of Representatives
Washington, DC 20515

The Honorable Mitch McConnell
Minority Leader
U.S. Senate
Washington, DC 20510

Dear Speaker Pelosi, Majority Leader Schumer, Minority Leader McConnell, and Minority Leader McCarthy:

On behalf of the Federation of American Hospitals (FAH), thank you for the unwavering, bipartisan support that Congress has provided to hospitals and frontline caregivers since the onset of the COVID-19 pandemic.

The FAH is the national representative of more than 1,000 leading tax-paying hospitals and health systems throughout the United States. FAH members provide patients and communities with access to high-quality, affordable care in both urban and rural areas across 46 states, plus Washington, DC and Puerto Rico. Our members include teaching, acute, inpatient rehabilitation, behavioral health, and long-term care hospitals and provide a wide range of inpatient, ambulatory, post-acute, emergency, children's, and cancer services.

As the third year of the pandemic begins, hospitalizations are surging across the nation due to Omicron, and the threat of future variants loom. Non-emergency procedures are once again being delayed or cancelled as COVID-19 spikes in multiple hotspots. The mental and physical toll of COVID-19 has put an unprecedented strain on our workforce, while the contagious nature of Omicron threatens to sideline critically needed health care providers. To ensure that hospitals continue to be able to meet the multitude of challenges we face, we respectfully urge Congress to consider the following recommendations as components of the next government funding and/or COVID-19 supplemental package.

Medicare Sequester Moratorium

Congress has worked together on several occasions – in a bipartisan fashion – to assist hospitals and other health care providers by extending the 2% Medicare sequester moratorium originally enacted in *The Coronavirus Aid, Relief, and Economic Security (CARES) Act*. Most recently, in December 2021, Congress approved a six-month, phase-down extension – with a 2% sequester moratorium through March 2022 followed by a 1% moratorium through June 2022 – in *The Protecting Medicare and American Farmers from Sequester Cuts Act*.

While we deeply appreciate that extension, which was adopted when the first Omicron cases were detected in the United States, the landscape has since changed completely. COVID-19-related hospitalizations are at an all-time high as Omicron continues to spread unabated across the country. In light of these circumstances and the escalating pressures on hospitals, we respectfully request that Congress amend its approach and instead explicitly link the full 2% Medicare sequester moratorium to the continuance of the COVID-19 Public Health Emergency (PHE), which was most recently renewed on January 14, 2022. This will provide hospitals with the critical certainty they need.

HRSA COVID-19 Uninsured Program

The Health Resources and Services Administration (HRSA) COVID-19 Uninsured Program has been a lifeline for patients and providers alike in reimbursement for the testing and treatment of uninsured individuals with a COVID-19 diagnosis, as well as the administering of COVID-19 vaccines to uninsured individuals. Congress must ensure that this fund remains available, and that hospitals and providers have the resources they need to treat our most vulnerable patients diagnosed with COVID-19.

Health Care Workforce

The struggle to maintain a sufficient, healthy workforce has been exacerbated in recent months as Omicron rapidly spreads. At the same time, caregivers were still bearing the emotional burden of treating patients during the deadly Delta wave. The pandemic continues to have lingering effects on health care providers, as we are seeing rising instances of burnout and resignation.

At the same time, nurse-staffing agencies are exploiting the COVID-19 crisis with predatory price increases. Bipartisan Members of the House and Senate have expressed concerns over these practices and, in particular, worry that hospitals will be unable to sustain these exorbitant staffing costs. We join those in Congress that are urging the Administration to enlist the support of federal agencies to investigate nurse-staffing agencies' conduct during the pandemic.

We further urge Congress to prioritize measures, including those listed below, to support frontline health care providers and maintain a robust workforce in both the short and long term:

- Extend the Medicare-funded residency training slots cap building period to ten years, as opposed to the current five years, for new teaching hospitals

- Enact the *Healthcare Workforce Resilience Act* to recapture 25,000 unused immigrant visas for nurses and 15,000 unused immigrant visas for doctors that Congress has previously authorized and allocate those visas to international doctors and nurses
- Enhance investment in provider loan repayment programs, including the Nurse Corps., to incentivize providing care in rural and underserved communities
- Enact the *Technical Reset to Advance the Instruction of Nurses (TRAIN) Act*, which would prohibit the Centers for Medicare and Medicaid Services (CMS) from recouping overpayments made in past years to hospital-based nursing and allied health education programs when CMS failed to make technical annual updates to the program, and instead invest those resources in training the next generation of caregivers
- Ensure any policy that increases Pell Grant funding makes certain that nursing students are eligible to receive such benefits to attend high-quality nursing schools, regardless of the educational institution's tax status.

Rural Hospital Payment Programs

Rural hospitals continue to be disproportionately impacted by COVID-19 and workforce shortages. We urge Congress to take steps now that will help ensure the long-term fiscal viability of rural hospitals and the services they provide to patients in their communities by:

- Making permanent the current Low Volume Hospital (LVH) and Medicare-dependent Hospital (MDH) programs – set to expire in September 2022
- Ensuring equitable payment policies for treating low-income Americans by, for example, removing the current 12% Disproportionate Share Hospital (DSH) payment cap that currently applies to rural hospitals (with some exceptions).

Conclusion:

Thank you for your consideration of these policy recommendations in support of frontline hospitals and providers, which we urge you to include in the upcoming government funding package.

We further call upon Congress to remain focused on improving the access, affordability, and quality of health care. We anticipate other issues – including but not limited to – telehealth, post-acute care and *The Resetting the Impact Act (TRIA)*, and supply chain bottlenecks - will receive considerable attention this year. Finally, Congress must fully waive statutory PAYGO to prevent crippling cuts to Medicare providers beginning in 2023.

We look forward to working with you in 2022 to meet the significant challenges that hospitals face in treating patients during these unprecedented times. If you have any questions or wish to discuss these issues further, please do not hesitate to reach out to me or a member of my staff at 202-624-1534.

Sincerely,

