



Charles N. Kahn III
President and CEO

Thursday, December 7, 2023

Dear Representative,

On behalf of the Federation of American Hospitals (FAH), **we urge you to vote against the current version of the *Lower Costs, More Transparency Act (H.R. 5378)*** in light of the so-called "site neutral" provision that cuts Medicare payments for services. These cuts threaten patient access to hospital care, particularly in rural America and other underserved areas around the nation.

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.

While we strongly oppose the Medicare cuts in the *Lower Costs, More Transparency Act*, we also recognize the importance of Congressional efforts to lower health care costs and protect the health care safety net for the nations uninsured. So, we are encouraged by the inclusion of a delay in the implementation of Medicaid Disproportionate Share Hospital (DSH) cuts in this bipartisan package.

Unfortunately, the legislation also includes cuts to Medicare in the form of so-called "site neutral" payments, which jeopardize access to care and would undermine that same safety net. The so-called-site neutral payment cuts do not take into account the fact that hospitals are already only paid 80 cents on the dollar by Medicare and hospitals require more funding than other sites of care because we treat sicker, lower-income patients with more complex and chronic conditions, provide 24/7 access to care in the community, and are held to a higher regulatory and safety standard. Additionally, these cuts disproportionately impact patients in rural and underserved communities where hospitals are already at risk of closing or reducing service lines such as emergency rooms and maternity care.

We urge lawmakers to vote against H.R. 5378, *The Lower Costs, More Transparency Act* and instead focus on the positive provisions in the bill that will help consumers and help fund care for the uninsured.

If you have any questions or would like to discuss our position on this legislation further, please do not hesitate to reach out to Char MacDonald (CMacDonald@fah.org), Rebecca Heilig (RHeilig@fah.org), or Ryann Hill (RHill@fah.org).

Sincerely,

A handwritten signature in black ink, appearing to read "Charles N. Kahn III".