

AMERICA'S HOSPITALS AND HEALTH SYSTEMS

November 14, 2022

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

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

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

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

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

As representatives of our nation's hospitals and health systems, we are writing to ask you to prevent the Statutory Pay-As-You-Go (PAYGO) sequester from taking effect.

Our members are facing a challenging environment in which they are dealing with the continuation of COVID-19 cases, an increase in seasonal respiratory and flu cases, as well as greater patient acuity and longer lengths of stay. They also are subject to high inflation and significant increases in costs for workforce, drugs, equipment and supplies that jeopardize their financial stability and their ability to provide their communities and patients with access to high-quality health care services. Many of our hospitals and health systems are experiencing their worst financial situation since the COVID-19 pandemic began.

We are concerned about additional reductions in hospital payments that would be required by imposition of the Statutory PAYGO sequester, which requires that mandatory spending and revenue legislation not increase the federal budget deficit over a 5- or 10-year period. The failure to waive Statutory PAYGO would result in damaging cuts to hospital providers in fee-for-service Medicare next year - nearly \$10 billion by some estimates. And this would be on top of the 2% Medicare sequester cuts, which had been waived for part of the pandemic, but are back in full effect as of July 1, 2022. We appreciate that Congress has never allowed Statutory PAYGO cuts to go into effect, and we urge Congress to again act before the end of this year to prevent the reductions from occurring. **Additional Medicare reductions to providers are not sustainable and put at risk our members' ability to care for their patients.**

Thank you for your consideration of this important request to address the impending PAYGO cuts to the Medicare program.

Sincerely,

America's Essential Hospitals
American Hospital Association
Association of American Medical Colleges
Catholic Health Association of the United States
Federation of American Hospitals
National Association for Behavioral Healthcare
Premier healthcare alliance
Vizient, Inc.