

March 5, 2020

The Honorable Jon Tester  
United States Senate  
311 Hart Senate Office Building  
Washington, DC 20510

The Honorable John Hoeven  
United States Senate  
338 Russell Senate Office Building  
Washington, DC 20510

Dear Senators Tester and Hoeven:

On behalf of our nearly 5,000 member hospitals, health systems and other health care organizations, our clinician partners, including more than 270,000 affiliated physicians, 2 million nurses and other caregivers – and the 43,000 health care leaders who belong to our professional membership groups, the American Hospital Association (AHA) appreciates your work to extend the Frontier Community Health Integration Project (FCHIP) demonstration. The FCHIP Extension Act (S. 3399) would renew this successful demonstration for an additional five years.

Access to care is especially challenging in frontier communities, given their geographic isolation, limited transportation options, variable terrain and unpredictable weather. Maintaining services locally is therefore of utmost importance in these areas. However, low patient volumes make it difficult for providers to sustain certain services based on standard payment methods.

The FCHIP Demonstration tests several new models of health care delivery for rural Critical Access Hospitals (CAHs) in the most sparsely populated states. CAHs serve as essential health care access points for frontier areas, yet geographic isolation and persistently low patient volumes may make some services unsustainable in the context of traditional Medicare payment rules. In response to these unique circumstances, the FCHIP demonstration tests the impact of enhanced payment and opportunities for providing certain services, with the goals of improving access and quality of care and reducing Medicare expenditures.

Specifically, by supporting CAHs and their local delivery systems, the FCHIP demonstration aims to increase the integration and coordination of care among providers; reduce avoidable hospitalizations, admissions, and transfers; and ultimately keep patients within the community who might otherwise be transferred to distant providers. The program allows CAHs to test interventions across several service



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categories – including skilled nursing, telehealth and ambulance services - and some participants are testing more than one intervention.

We commend you for your focus on extending this valuable demonstration and thank you for your bipartisan leadership to maintain access to care in rural communities.

Sincerely,

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Thomas P. Nickels  
Executive Vice President