

July 15, 2022

## Urge Your Senators to Sign ‘Dear Colleague’ Letter to CMS to Fix Inadequate Hospital Inpatient Payment Proposal

*Deadline for signatures is July 21; widespread bipartisan support is pivotal for this effort*

Sens. Bob Menendez, D-N.J., and Kevin Cramer, R-N.D., are spearheading a [“Dear Colleague” letter](#) to the Centers for Medicare & Medicaid Services (CMS) urging the agency to make critical changes to the hospital inpatient prospective payment system proposed rule for fiscal year (FY) 2023 to more accurately reflect the cost of providing hospital care to patients.

Specifically, the letter asks CMS to retrospectively adjust the market basket update for FY 2022 to account for unprecedented inflation, as well as consider holding off on the productivity cut for FY 2023.

“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,” the letter states.

### TAKE ACTION

**Please contact your senators today and ask them to sign the bipartisan letter to CMS. It is important that we secure as many signers as possible to encourage CMS to make these necessary changes. The deadline for signatures is July 21. AHA has developed a [sample message](#) that you can send to your senators asking them to sign on to the letter.**

### AHA RESOURCES

- [AHA Fact Sheet](#) with more details on the issue that you can use in conversations with your lawmakers.
- [AHA Letter to Congress](#) urging it to weigh in with CMS.
- [AHA Letter to CMS](#) on its Inpatient Payment Proposal.

### KEY MESSAGES

The current inflationary economy combined with the COVID-19 pandemic has put unprecedented pressure on America’s hospitals and health systems. Hospitals are grappling with significant increases in costs for labor, drugs, supplies and equipment, as well as many workforce challenges.

In your conversations with your senators, please continue to:

- **Talk about your organization's increased expenses from supply chain disruptions, workforce shortages, and labor and drug costs.** Even before the pandemic, labor costs — including recruitment, retention, benefits, incentives, and training — accounted for more than 50% of hospitals' total expenses. By the end of 2021, hospital labor expenses per patient were 19.1% higher than pre-pandemic levels.
  - **See the recent [AHA report](#) on the significant cost increases** hospitals have seen and talk with your lawmakers about the challenges they have presented in your ability to care for your communities.
- **Share the negative impact that Medicare payment cuts will have on your organization's ability to provide care.** Talk with your lawmakers about how further cutting Medicare payments to hospitals and health systems will threaten access to care for your patients and communities.

## **FURTHER QUESTIONS**

If you have further questions, please contact AHA at 800-424-4301.