

April 9, 2021

The Honorable Charles Schumer
Senate Majority Leader
322 Hart Senate Office Building
Washington, D.C., 20510

The Honorable Nancy Pelosi
Speaker of the House
1236 Longworth House Office Building
Washington, D.C., 20515

The Honorable Mitch McConnell
Senate Minority Leader
317 Russell Senate Office Building
Washington, D.C., 20510

The Honorable Kevin McCarthy
House Minority Leader
2468 Rayburn House Office Building
Washington, D.C., 20515

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

Vizient and our member hospitals appreciate the support that Congress has provided thus far to aid hospitals and other health care providers during the COVID-19 pandemic. Although the pandemic persists, we support efforts to consider forward-looking proposals that create jobs and invest in the United States' infrastructure, among other goals. We are aware additional infrastructure policies are forthcoming, that, like the *American Jobs Plan*, will impact the patients and communities our provider members serve. We offer the following policy proposals for your consideration and look forward to providing more detailed insights as these efforts advance.

Vizient is the nation's largest health care performance improvement company. Vizient provides solutions and services that improve the delivery of high-value care by aligning cost, quality and market performance for more than 50% of the nation's acute care providers, which includes 95% of the nation's academic medical centers, and more than 20% of ambulatory providers. Vizient provides expertise, analytics, and advisory services, as well as a contract portfolio that represents more than \$100 billion in annual purchasing volume, to improve patient outcomes and lower costs. Headquartered in Irving, Texas, Vizient has offices throughout the United States.

President Biden's *American Jobs Plan* seeks to "invest in America in a way we have not invested since we built the interstate highways and won the Space Race."¹ Among other goals, the plan would provide significant resources to upgrade transportation and digital infrastructure systems, expand access to and support long-term care, enhance research and development (e.g., basic research and science, biotechnology and biopreparedness), and revitalize manufacturing. Given that several of these policies have the capacity to positively affect the health and well-being of communities, Vizient believes it is important that specific attention be paid to hospitals' perspectives as they serve critical roles within their communities, including providing employment, engaging in research and development, and most importantly, caring for patients.

¹ <https://www.whitehouse.gov/briefing-room/statements-releases/2021/03/31/fact-sheet-the-american-jobs-plan/>

Physical Infrastructure

Hospitals, health care systems and other providers are staples within communities. The COVID-19 public health emergency (PHE) exacerbated health care access concerns, supply and equipment limitations, and typical maintenance and repair needs. In addition to the routine challenges, the pandemic forced many providers to quickly respond in an attempt to modify physical space constraints and temporarily redesigning facilities to appropriately serve COVID-19 patients while continuing to provide other essential medical care. While hospitals rose to adapting to these new demands, from a physical infrastructure perspective, this meant purchasing new equipment, modifying sites of care and creating new sites to manage surges or administer vaccines. **As a result, more resources are needed to both revitalize hospitals and invest in physical design improvements to provide for rapidly adaptable spaces that can quickly be converted to respond to future pandemics and health care emergencies.**

In addition, enhancements such as sustainability measures (e.g., energy management systems) may also have been altered or longer-term plans modified due to the PHE.² Although the *American Jobs Plan* aims to “Build, preserve and retrofit more than two million homes and commercial buildings, modernize or nation’s schools and childcare facilities, and updates veterans’ hospitals and federal buildings”, our nation’s hospitals have similar needs. **Thus, Vizient recommends financial support be provided to similarly advance and support hospitals’ modernization efforts.**

Health Care Workforce

As noted above, Vizient members include nearly 95 percent of the nation’s academic medical centers. Those organizations are not only on the frontlines of providing cutting edge care and responding to the COVID-19 pandemic, but they also conduct vital research and train the next generation of providers. The pandemic has made clear that our nation needs a robust and highly skilled physician workforce. Vizient appreciates Congress’s work to support Medicare Graduate Medical Education (GME) in the *Continuing Appropriations Act, 2021, and other Extensions Act*, which expanded the number of Medicare-supported GME resident slots. While this was a vital effort to address looming physician shortages and support the next generation of trained medical professionals, more needs to be done. This is especially true considering the incredible challenges and trauma that the health care workforce continues to endure in responding to the COVID-19 pandemic. The extent of that trauma on our nation’s health care workforce has yet to be fully understood, so taking steps now to bolster future medical professionals is vital. **Vizient encourages Congress to continue to support the health care workforce by further increasing the number of available Medicare supported GME slots by including the [Resident Physician Workforce Shortage Reduction Act](#)³ in future infrastructure legislation.**

In addition to need the to train physicians, the pandemic has made clear the need to train other health care providers, including nurses. Through Vizient’s [Nurse Residency Program \(NRP\)](#), we work with nurses and health care professionals across the country to build essential competencies and resiliency for new nurses entering the workforce. Those that go through the NRP tend to have greater retention rates and are more fulfilled in their work life. We are proud of the NRP, and the positive impact it has of sustaining essential nurses working in challenging

² <https://betterbuildingssolutioncenter.energy.gov/beat-blog/healthcare-sector-recovery-tips-american-society-health-care-engineering-ashe-a-better>

³ <https://www.vizientinc.com/>

[/media/documents/sitecorepublishingdocuments/public/aboutus/20210324_vizient_endorsement_letter_rpsra21.pdf](https://media/documents/sitecorepublishingdocuments/public/aboutus/20210324_vizient_endorsement_letter_rpsra21.pdf)

situations. While the *American Jobs Plan* addresses the need for better jobs for workers generally and aims to raise wages and benefits for essential home care workers more specifically, there is little additional support provided directly to the health care workforce. For example, the [Future Advancement of Academic Nursing \(FAAN\) Act](#) is one measure that would support the future nursing workforce and strengthen nursing education pathways. **Vizient urges Congress to consider policies that more robustly support and build essential resiliency in the current and future health care workforce.** Along those same lines, we encourage additional attention be paid to provider well-being and efforts to avoid clinician burnout. Funding to support these efforts should ensure hospitals are provided with the flexibility needed to tailor their response to address long-term needs of their setting, staff, and community.

Rural and Underserved Communities

Vizient appreciates the attention the *American Jobs Plan* pays to factors impacting rural and underserved communities, such as enhancing access to high-speed broadband infrastructure, addressing education deserts, better linking urban and rural communities, increasing access to capital for rural manufacturing, and partnering with rural communities to create jobs and spur economic growth. Vizient recognizes that these efforts also help address the social determinants of health (SDoH), which can be further categorized as health care access and quality, economic stability, education access and quality, social and community context, and the neighborhood and built environment. However, given that 20 rural hospitals closed in 2020⁴, compounding an already growing access to care challenge in rural America, there is an urgent need to change course and ensure health care access. **Vizient encourages Congress to provide additional funding for rural communities to support access to health care, including funding specifically aimed to address workforce challenges in rural communities and funding to support telehealth utilization, such as the Federal Communications Commission's (FCC) Rural Health Care Program.**

Telehealth and Digital Health

Vizient applauds efforts to increase access to broadband internet. From a health care perspective, broadband internet is critical to digital health and telehealth access in both rural and urban communities. **To further support access to digital health and telehealth, Vizient recommends expanding payer coverage policies, including Medicare's policies (e.g., lifting geographic and originating site restrictions, permitting audio-only telehealth), to provide more robust coverage of telehealth and digital health services.**

In addition, as telehealth and digital health evolve, so does the need to train staff, purchase hardware and software, and enhance cybersecurity systems and practices. To encourage broader and more rapid adoption of telehealth and digital health, **Vizient recommends Congress provide greater long-term clarity on policies that may be extended beyond the PHE, as well as dedicated funding to help address operational barriers that may slow adoption.** In doing so, patient access to care will be increased as a wider range of providers will be able to connect to one another and to patients.

Health Care Supply Chain

The COVID-19 pandemic has demonstrated the need to build a more resilient health care supply chain by creating more redundancy and ensuring diversification and transparency. Vizient supports efforts to increase both domestic and near-shore manufacturing of critical

⁴ <https://www.shepscenter.unc.edu/programs-projects/rural-health/rural-hospital-closures/>

medical supplies. **However, Vizient also emphasizes the need for policies to provide greater transparency to the private sector regarding upstream elements of the supply chain, such as sources of active pharmaceutical ingredients and raw materials so that we can help our members diversify their supply chain and enhance its reliability.** Additionally, Vizient recommends increased transparency regarding the Strategic National Stockpile (SNS), including current stock, planned purchases and processes and policies for distribution.

Transparency is critical throughout the health care supply chain as it can support resiliency and enhance security as products move from one trading partner to the next. However, despite efforts to secure the drug supply chain, there is a growing need to ensure third parties do not inappropriately harm drug supply chain security and that providers, including hospitals, are included in related policy discussions. For example, during the pandemic there has been a proliferation of payer policies that mandate a practice known as “white bagging”. Under these “white bagging” policies, providers are effectively required to administer medications sent to them through non-traditional supply chain channels (e.g., specialty pharmacies not affiliated with the hospital). This practice poses supply chain integrity and security concerns as providers can be challenged in verifying the safety and security of these medications, among other issues. Given the attention to the supply chain during the pandemic and the need for supply chain security and resiliency, **Vizient urges Congress to direct HHS and FDA, in collaboration with hospitals, to ensure gaps in the supply chain do not emerge as a result of payer policies, particularly because payers are not members of the drug supply chain.** These actions threaten patients with treatment delays and medication safety risks. Further, such harm will persist unless greater deference is given to providers’ perspectives in supply chain policy solutions.

Drug Pricing

Vizient applauds Congress for continuing to call attention to the need to lower drug prices in the United States. Congress has been critically assessing drug pricing policies for the last several years. Taking action now to clarify the path forward for drug manufacturers, health providers, purchasers and patients would remove ongoing uncertainty and provide for a stable outlook for the market. While several of the drug pricing policies, such as allowing Secretary of the Department of Health and Human Services to negotiate Part D drug prices, would be more appealing to consumers, there is a significant need to also reduce drug prices paid for by hospitals and other providers. **Specifically, Vizient recommends Congress reconsider the circumstances in which exclusivities are provided to legacy drugs which receive approval from the Food and Drug Administration.** For example, based on Vizient’s analysis, the approval of 18 specific drugs under the Unapproved Drug Initiative⁵ would add \$7.52 billion to the U.S. health care costs if drug manufacturers continue to take increases over the next five years of potential market exclusivity. Costs of these medications also reach federal payers, such as the Veterans Health Administration.⁶ As Congress considers options to offset the cost of infrastructure packages, we recommend closing exclusivity loopholes and working collaboratively with stakeholders to identify solutions to address the safety and efficacy of legacy products.

⁵ <https://newsroom.vizientinc.com/vizient-analysis-shows-ending-unapproved-drugs-initiative-could-save-between-752-billion-and-2659-billion.htm>

⁶ <https://pubmed.ncbi.nlm.nih.gov/31628792/>

Preparing for the Next Pandemic

The *American Jobs Plan* aims to help stakeholders prepare for the next pandemic by making new major investments in medical countermeasures manufacturing, research and development, and related biopreparedness and biosecurity. During the COVID-19 PHE, there has been productive coordination efforts between private entities, including Vizient, and key government entities like the FDA, CDC, HHS, ASPR and FEMA. This was particularly true with respect to efforts related to the SNS. However, the private sector is currently not able to access the same data as federal entities, limiting our ability to coordinate efforts and support providers. Therefore, in future legislation, **Vizient encourages Congress to direct federal agencies to work with the private sector to identify information that could be more broadly shared help stakeholders similarly prepare for the next pandemic and complement the efforts to the federal government.** This includes, but is not limited to, insight into Teletracking, the Supply Chain Control Tower, the SNS and details regarding therapeutics distribution and use.

Another critical aspect of preparing for the next pandemic, is helping hospitals plan today. For example, the Hospital Preparedness Program (HPP) has historically helped provide some support but more and consistent funding is needed. Vizient recommends consistent and sufficient funding be provided to the HPP which aims to support hospitals' evolving emergency preparedness, response and recovery plans.

Vizient applauds Congress for its willingness to develop robust infrastructure legislation. We look forward to providing additional feedback, especially as additional plans are released. Please do not hesitate to contact me at shoshana.krilow@vizientinc.com or 202-354-2607 if you have any questions about Vizient or if there is any way we can be of assistance as you develop additional legislative solutions to revitalize American infrastructure.

Sincerely,



Shoshana Krilow
Senior Vice President, Public Policy & Government Relations