

September 9, 2021

The Honorable Charles Schumer  
Senate Majority Leader  
322 Hart Senate Office Building  
Washington, DC 20510

The Honorable Nancy Pelosi  
Speaker of the House  
1236 Longworth House Office Building  
Washington, DC 20515

The Honorable Mitch McConnell  
Senate Minority Leader  
317 Russell Senate Office Building  
Washington, DC 20510

The Honorable Kevin McCarthy  
House Minority Leader  
2468 Rayburn House Office Building  
Washington, DC 20515

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

On behalf of the hospital members we serve throughout the country, Vizient would like to take this opportunity to highlight several of our members' key priorities for your consideration as Congress moves forward with developing budget reconciliation legislation. Given the magnitude of the effort underway in Congress, Vizient strongly encourages you and your respective caucuses to recognize the ongoing challenges hospitals are facing and take this opportunity to invest in the future of the health care system.

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.

While Congress looks ahead to the work on budget reconciliation package, Vizient encourages Congress to prioritize the following items:

### **Marketplace Subsidies**

Under the American Rescue Plan Act, Congress increased the amount of the Advanced Premium Tax Credit (APTC) for the purchase of health insurance through the Health Insurance Marketplace and extended the eligibility of those subsidies to additional Americans through 2022. The two-year expansion of those subsidies has made substantial improvements in the affordability of many plans on the Marketplace, which has led to more Americans purchasing meaningful health insurance coverage. Vizient encourages Congress to make these enhanced subsidies permanent so that low- and middle-income individuals and families can continue to access high quality health insurance.

## **Medicaid Coverage Gap**

Vizient continues to support the expansion of Medicaid to cover individuals up to 133% of the Federal Poverty Level. To date, 38 states and the District of Columbia have adopted an expansion of Medicaid eligibility. Twelve states have not adopted the expansion, leaving low-income patients facing difficult financial considerations in accessing care. Vizient is supportive of taking additional steps to either further incentivize hold-out states to expand their Medicaid program, or to provide coverage options for those beneficiaries who would otherwise be covered through the Medicaid expansion.

## **Invest in the Medical Workforce**

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 are conducting vital research and training the next generation of physicians. Vizient is grateful for the investment made in the Consolidated Appropriations Act to increase the number of Medicare-supported Graduate Medical Education residency slots by 1,000. While that investment is a vital first step, the pandemic has clearly demonstrated the critical need for our nation to have a robust and highly skilled physician workforce.

To address the critical current need and future need for highly-trained physicians, Vizient urges Congress to include the Resident Physician Workforce Shortage Reduction Act of 2021 in the budget reconciliation legislation to support the essential development of tomorrow's clinical leaders.

Many hospitals, particularly those in rural America, continue to face severe workforce shortages. These challenges have been made worse by, among other factors, the COVID-19 pandemic and provider burnout, an aging workforce and difficulty recruiting and retaining providers, specifically in rural areas. Vizient has been strongly supportive of the Temporary Reciprocity to Ensure Access to Treatment (TREAT) Act, that would offer significant flexibility to allow health care professionals to practice across state lines and via telehealth during the course of the COVID-19 Public Health Emergency (PHE) with a 6-month transitional period after the declared emergency ends. In a crisis, such added flexibility helps hospitals and other providers fill emergency staffing needs. The Healthcare Workforce Resilience Act, which would expand access to unused visas for essential medical professionals, is another option that would help increase the number of health care professionals. Given the urgency of the crisis, if either bill falls short of the requirements to be included in the budget reconciliation package, Vizient strongly urges Congress to consider other direct financial supports such as expansion of loan repayment programs.

In addition to the need for ongoing investments in training medical professionals, Congress should also consider taking this opportunity to invest in health care workforce resilience. Health care workers have been subjected to unprecedented challenges throughout the course of the COVID-19 pandemic, which has taken a toll on the mental well-being of many health care professionals. In recognition of those stresses, Vizient encourages Congress to include the Dr. Lorna Breen Health Care Provider Protection Act in the reconciliation package. The legislation, which has already been approved in the Senate on a bipartisan basis, would provide grants to hospitals and other health care entities for programs to promote mental health and resiliency while also examining health care provider burnout. This small step is vital for the long-term resilience of our nation's health care professionals.

## **Hospital Physical Infrastructure**

The COVID-19 PHE forced many hospitals to rapidly modify their physical campuses to safely serve COVID-19 patients while delivering care to other patients. The rapid spread of the Delta and other variants continues to demonstrate that those efforts have been essential. Resources are needed to invest in necessary modernization to provide for rapidly adaptable spaces that can be converted to respond to future pandemics, natural disasters and other emergencies.

While the need exists for investments to improve hospitals' physical structures, many of the flexibilities that have been offered throughout the course of the PHE have led hospitals to take innovative new approaches to delivering care outside of the walls of the hospital. Those flexibilities, such as hospital-at-home programs, expanded access to telehealth services and expanded settings for care to be delivered, should be continued and federal support for programs to expand access to care in non-traditional settings should be considered. Specifically, Vizient encourages Congress to include continued support and expansion for the Federal Communications Commission's COVID-19 Telehealth and Rural Health programs. In addition to those direct financial investments in the long-term viability of telehealth services, Vizient also encourages Congress to include elements of the CONNECT for Health Act to permanently extend several of the new telehealth flexibilities offered during the COVID-19 PHE.

Vizient has also joined many of our hospital members to support enhancements that improve sustainability, address climate change and reduce the environmental footprint of the health care system. Hospitals must invest in building resiliency to sustain access to high quality care by investing in renewable energy, energy demand reduction and resilient buildings for care delivery. Disease burdens are exasperated by climate change including impact from fires, hurricanes, flooding and other severe weather events. Climate change is causing declining air, soil and water quality that impact health and exacerbate existing health conditions including allergies, asthma, cancer, chronic obstructive pulmonary disease (COPD), cardiovascular disease, food water and vector-borne diseases, heat-related illness, mental illness and stress and obesity. While Vizient and many of our hospital members are committed to those efforts, more resources will be needed to make improvements to energy management systems and other enhancements to improve sustainability in health care.

For those reasons, Vizient encourages Congress to consider including modifications to the Hill-Burton Act to more directly provide resources for significant investments to improve hospital physical spaces, invest in technologies to expand access to care and provide incentives to improve sustainability.

## **Prescription Drug Prices and Drug Policies**

Vizient has long been committed to reducing prescription drug costs for hospitals and patients, with a primary focus on leveraging market-based solutions to promote competition and reduce prices. A key element of that effort is steadfast support for widespread adoption of generic and biosimilar medications to promote competition and reduce prices. Vizient also supports efforts to curb actions to delay or prevent generic or biosimilar competition from entering the marketplace. As Congress considers broad drug pricing reforms as part of this reconciliation package, Vizient urges caution on adopting approaches to modify reimbursement strategies that may unintentionally discourage the use or approval of biosimilar or generic medications.

Finally, the 340B Drug Pricing Program continues to serve a vital role in supporting hospitals' ability to stretch limited resources to increase access to services in rural and underserved communities. During the pandemic, many hospitals have seen changes to their payer mix, which has resulted in the loss of their Medicare Disproportionate Share Hospital (DSH) status and, as such, their 340B eligibility. Vizient has [urged CMS](#) to take steps to address this issue through regulation, but the agency has not yet clarified whether those impacted could retain their pre-pandemic status. Vizient urges Congress to clarify that those impacted facilities may maintain their eligibility for the 340B Program.

## **Health Equity**

Vizient remains committed to improving health equity and continues to offer strong support for efforts to reduce health care disparities. As Congress develops this budget reconciliation legislation, Vizient encourages the inclusion of policies to help support improvements in diversity in the medical workforce and clinical trials. Recognizing the importance of identifying and correcting deficiencies in care delivery that lead to health disparities, Vizient also encourages resources be provided to support and prioritize efforts to improve data collection and accuracy related to health care disparities and to work collaboratively with health care providers to identify needed steps to further improve outcomes.

Improving maternal mortality is another area where health equity improvements are needed. Congress has been undertaking meaningful conversations around improving outcomes for minority and rural mothers. Provisions from the Black Maternal Health Momnibus Act and the Rural Maternal and Obstetric Modernization of Services (MOMS) Act could be included in this legislative package. Those vital efforts could have an outsized impact on the lives of many minority and rural families.

Beyond addressing some of the structural and measurement concerns to support health equity, investing in meaningful improvements in environmental health and social determinants of health should be another priority as Congress moves forward with this legislation. The Social Determinants Accelerator Act of 2021 and the Leveraging Integrated Networks in Communities (LINC) to Address Social Needs Act would provide positive investments to address and appropriately target social determinants of health at a local level.

## **Offsets/Pay-fors**

As you move forward in developing the budget reconciliation legislation, Vizient urges Congress to avoid targeting hospitals to offset costs elsewhere in the legislation. As this legislation is developed, it is vitally important that hospital reimbursements are not targeted to pay for other priorities. Hospitals across the country have faced unprecedented challenges over the last 18 months in responding to the COVID-19 PHE. Vizient and our members appreciate the support provided by Congress for hospitals and other health care providers throughout this crisis. The relief from Medicare sequestration and Medicare DSH cuts and support from the Provider Relief Fund (PRF) have provided essential financial protections for hospitals. Because the pandemic has not subsided, we urge Congress to not step back from the financial support provided thus far and to continue to support America's health care system.

## **Conclusion**

Thank you for your continued leadership in supporting hospitals across the country through the unprecedented events of the COVID-19 pandemic. As this budget reconciliation legislation is

developed, Vizient strongly encourages Congress to be expansive in its investments to support the future of health care.

We strongly support the inclusion of provisions to expand access to affordable health coverage, make investments to support the development of tomorrow's medical workforce, reduce drug prices, modernize our health care facilities and support innovative care delivery approaches.

Please do not hesitate to contact me at [shoshana.krilow@vizientinc.com](mailto: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 this legislation.

Sincerely,

A handwritten signature in black ink, appearing to read "Shoshana Krilow". The signature is fluid and cursive, with a large initial "S" and a long, sweeping underline.

Shoshana Krilow  
Senior Vice President, Public Policy & Government Relations