

AMERICA'S HOSPITALS AND HEALTH SYSTEMS

November 29, 2021

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 address two important issues by the end of this year: an extension of the moratorium on Medicare sequester cuts, as well as preventing the Statutory Pay-As-You-Go (PAYGO) sequester from taking effect.

The COVID-19 pandemic has been a historic challenge for our members as they continue to serve their patients and communities. We appreciate the ongoing support that Congress furnished with both direct funding for health care providers and the additional relief from statutory payment adjustments, such as the delay in the application of Medicare sequestration reductions. The sequester moratorium is currently scheduled to expire on Dec. 31, 2021. If these cuts are not delayed further, hospitals and health systems would experience a reduction of \$4.7 billion in fee-for-service Medicare payments in 2022.

We also are concerned about the impending deadline related to 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. We estimate the failure to waive Statutory PAYGO would result in an additional \$9.4 billion in cuts to hospital providers in fee-for-service Medicare next year. We appreciate that in previous years Congress has not allowed the Statutory PAYGO cuts to take effect, and we urge Congress to again act to prevent the reductions from taking place.

While some parts of the country are recovering from the most recent increase in hospitalizations associated with the COVID-19 delta variant, others are still facing ongoing challenges, either due to a high number of COVID-19 cases or an increase in treating severely ill patients whose care was delayed during the pandemic. Our members will continue to face fiscal challenges into 2022, including: higher costs related to workforce, drugs and supplies; expenses for pandemic preparedness and treating more medically complex patients; and the delay in the return of regular operations due to the postponement of routine care. **Additional Medicare reductions to providers are not sustainable and put our members' ability to care for their patients at risk.**

Thank you for your consideration of this important request to address the impending cuts to the Medicare program. We look forward to continuing to work with you during this critical time.

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.