

# United States Senate

WASHINGTON, DC 20510

June 12, 2023

The Honorable Chiquita Brooks-LaSure  
Administrator, Centers for Medicare & Medicaid Services  
U.S. Department of Health and Human Services  
200 Independence Avenue SW  
Washington, DC 20201

Dear Administrator Brooks-LaSure,

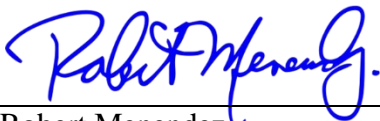
We write today to express our concern regarding the proposed payment updates included in the Centers for Medicare & Medicaid Services' (CMS) inpatient prospective payment system (IPPS) proposed rule for fiscal year (FY) 2024. We are concerned that the proposed payment updates do not fully account for the current cost of care and will result in an overall payment reduction for hospitals in FY2024. We request CMS consider using its special exceptions and adjustments authority to update the proposed payment update in the final IPPS rule.

In the FY2024 proposed rule, CMS relies on historical data that does not predict the impact of the current elevated cost of providing care and the increased growth in expenses due to labor and supply chain costs. Additionally, the productivity update included in the proposed rule assumes hospitals can replicate the general economy's productivity gains. However, in reality the critical financial pressures that hospitals and health systems continue to face have resulted in productivity declines, not gains.

Conditions like the ones currently facing hospitals require a heightened review of payment policy. We respectfully request that CMS consider using its special exceptions and adjustments authority to make a retrospective adjustment to account for the difference between the market basket update that was implemented for FY 2022 and what the market basket actually is for FY 2022. 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.

On behalf of our hospitals and health systems nationwide, we appreciate your attention to these concerns. We look forward to working with you on these important issues.

Sincerely,



Robert Menendez  
United States Senator



Kevin Cramer  
United States Senator



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Debbie Stabenow  
United States Senator



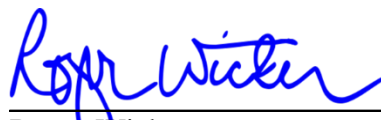
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Shelley Moore Capito  
United States Senator



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M. Michael Rounds  
United States Senator



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Roger Wicker  
United States Senator



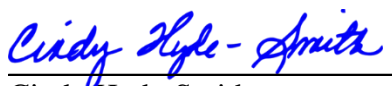
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Alex Padilla  
United States Senator



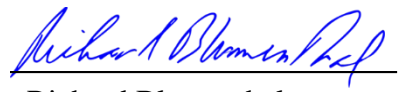
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Jerry Moran  
United States Senator



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Cindy Hyde-Smith  
United States Senator



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Richard Blumenthal  
United States Senator



Kirsten Gillibrand  
United States Senator



Peter Welch  
United States Senator



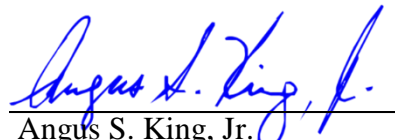
Thomas R. Carper  
United States Senator



Sheldon Whitehouse  
United States Senator



Susan M. Collins  
United States Senator



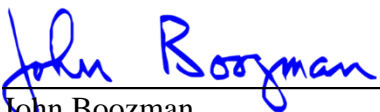
Angus S. King, Jr.  
United States Senator



Mark R. Warner  
United States Senator



Jacky Rosen  
U.S. Senator



John Boozman  
United States Senator




Christopher A. Coons  
United States Senator




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JD Vance  
United States Senator




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Thom Tillis  
United States Senator



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James Lankford  
United States Senator




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Tommy Tuberville  
United States Senator




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Sherrod Brown  
United States Senator




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Amy Klobuchar  
United States Senator




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Tina Smith  
United States Senator



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Dianne Feinstein  
United States Senator



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Raphael Warnock  
United States Senator



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James E. Risch  
United States Senator



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Marsha Blackburn  
United States Senator



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Katie Boyd Britt  
United States Senator



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John Hoeven  
United States Senator



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Bill Hagerty  
United States Senator