Congress of the United States
Washington, DC 20515

December 8, 2017

The Honorable Kevin Brady
Chairman, House Ways and Means Committee
1102 Longworth House Office Building
Washington, D.C. 20515

The Honorable Richard Neal
Ranking Member, House Ways and Means Committee
1139E Longworth House Office Building
Washington, D.C. 20515

Dear Chairman Brady and Ranking Member Neal,

As Members who represent rural communities that depend on Critical Access Hospitals (CAHs) for access to needed care, we write to express our grave concerns with the proposed policy to modify payments for CAH swing-beds included as an offset in the draft Medicare extenders package announced by the House Ways and Means Committee. If adopted, any cuts from current reimbursement levels would devastate hospitals that serve our communities and not only impact families' ability to receive needed services but also thousands of jobs across rural America.

We understand that the Committee is basing its inclusion of this change on a 2015 report from the Department of Health and Human Services Office of the Inspector General (HHS OIG). As you may know, the Centers for Medicare and Medicaid Services (CMS) disagreed with the report's findings. We agree with CMS's response to the report stating that OIG recommendation "overestimates savings by failing to incorporate important factors such as the level of care needed by swing-bed patients, transportation fees to alternative facilities, and the use of point-to-point mileage distances instead of road miles." Point-to-point measurements may seem like a reasonable way to determine distances between facilities. However, the reality of life in rural America is that roads don't always take the most direct path. Our constituents often must spend hours driving because roads simply must go around certain types of terrain. Swing-beds allow rural patients to receive medically necessary services closer to home instead of forcing their families to travel long distances and incur higher costs.

The OIG report also does not take into account the resources that CAH's must utilize to treat patients in swing-beds, nor the unique market conditions in rural communities. In many of our states, CAH's previously operated skilled nursing facilities (SNFs) but had to close them due to lack of financial viability in remote regions. Currently, CAH's are only reimbursed 99% of cost due to sequestration. Further cuts would force hospitals to make difficult decisions that would harm patient access to critical services or shut down altogether. Since 2010, 82 rural hospitals

have closed across the nation and only 1,300 CAHs provide these lifesaving services to vulnerable communities.

As with any policy change that impacts the care of millions of Americans, proposals to modify swing-bed payments must be thoughtfully considered and reviewed with the input of rural stakeholders through additional analysis and public hearings. While we applaud the Committee for working together on a bipartisan basis to move forward important Medicare extenders, we do not believe costs should be disproportionately shouldered by patients and providers in rural communities. As such, we respectfully urge you to abandon proposed cuts to Critical Access Hospitals as you move forward with this important package.

Sincerely,

Tom O'Halleran
Member of Congress

Evan H. Jenkins
Member of Congress

Dave Loebsack
Member of Congress

Sanford D. Bishop, Jr.
Member of Congress

David B. McKinley, P.E.
Member of Congress

Tom Cole
Member of Congress

Kurt Schrader
Member of Congress

Robert Latta
Member of Congress

Danny K. Davis
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Tim Walz
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Daniel T. Kildee
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Hal Rogers
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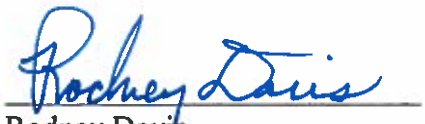
Mac Thornberry
Member of Congress

Jared Huffman
Member of Congress

Peter A. DeFazio
Member of Congress

Jacky Rosen
Member of Congress

Rick Nolan
Member of Congress



Rodney Davis
Member of Congress

Roger W. Marshall, M.D.
Member of Congress