

Congress of the United States
Washington, DC 20515

March 26, 2019

The Honorable Seema Verma
Administrator
Centers for Medicare and Medicaid Services
Department of Health and Human Services
200 Independence Avenue, SW
Washington, D.C. 20201

Dear Administrator Verma,

We appreciate the Centers for Medicare and Medicaid Services (CMS) including a request for public comments on wage index disparities in last year's Inpatient Prospective Payment System (IPPS) rulemaking process. As CMS finalizes the proposed rule for the IPPS in fiscal year 2020, we encourage you to provide relief from the increasing disproportion of reimbursement created by the Medicare wage index, a fundamentally flawed and administratively burdensome system. The wage index has created a unique situation that is negatively impacting the health care system in Alabama. Most recently, Georgiana Medical Center in Georgiana, Alabama, announced its plans to close, making it the thirteenth hospital in our state to close since 2011. If left unaddressed, many more hospitals in Alabama could follow suit, and the wage index will continue to be a major contributor.

In November of 2018, the Office of Inspector General for the Department of Health and Human Services issued a report that outlined concerns with the current wage index system including incorrect or incomplete wage data, insufficient reviews of information, and the inaccuracy of rural floor and hold-harmless provisions. With the lowest wage index in the country, both our urban and rural hospitals have suffered from the estimated \$140.5 million in overpayments that were illustrated in the report.

Additionally, the fiscal year 2019 Labor, Health and Human Services Appropriations report included language encouraging CMS to identify ways to reduce regional disparities in the Medicare wage index and implement those solutions. We continue to support this position and CMS' efforts to recognize the unjustified differences in payments to hospitals in different parts of the country. It is our hope that CMS will use the current IPPS rulemaking process to reduce the significant vulnerabilities Alabama's hospitals are facing.

Thank you for your consideration and please do not hesitate to let us know if we can answer any questions you may have.

Sincerely,



Richard C. Shelby
United States Senator



Doug Jones
United States Senator



Bradley Byrne
Member of Congress



Terri A. Sewell
Member of Congress



Robert B. Aderholt
Member of Congress



Mike Rogers
Member of Congress



Mo Brooks
Member of Congress



Martha Roby
Member of Congress



Gary Palmer
Member of Congress