

# United States Senate

WASHINGTON, DC 20510

June 24, 2019

The Honorable Alex Azar  
Secretary  
U.S. Department of Health and Human Services  
200 Independence Avenue, S.W.  
Washington, D.C. 20201

Dear Secretary Azar,

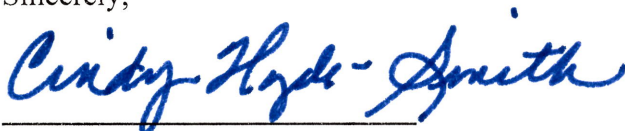
We write to express our support for the Department of Health and Human Services (HHS) proposed rule titled, “Fiscal Year 2020 Medicare Hospital Inpatient Prospective Payment System and Long Term Acute Care Hospital Prospective Payment System Proposed Rule and Request for Information” (CMS-1716-P), as it relates to improving payments for hospitals below the 25th percentile on the wage index. This proposal is much-needed to ensure that the one in five Americans living in rural areas have access to healthcare.

The current wage index policy compounds inequities between rural and urban areas. Because they receive higher Medicare payments, high wage index hospitals, which are primarily located in urban areas, can attract a better workforce through higher wages. Low wage index hospitals, by contrast, often cannot pay the compensation needed to recruit the physicians and other providers who are so desperately needed in rural America. This becomes self-perpetuating, as low wage index hospitals are stuck in a downward spiral that makes payments for rural hospitals and other low wage index hospitals decline over time.

HHS is right to recognize these inequities and move to address them in this proposed rule. Too many rural hospitals have closed, leaving communities and patients without access to care. Additionally, more than a third of rural hospitals are vulnerable to closure.<sup>1</sup> Given these challenges, rebalancing the wage index to pay rural hospitals more fairly is both wise and necessary to stem the tide of rural hospital closures.

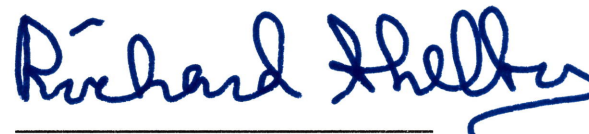
We applaud your focus on rural America and your commitment to help bring stability to rural hospitals. This wage index proposal is an important step toward achieving greater access to care in rural America. We strongly encourage HHS to finalize it promptly.

Sincerely,



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CINDY HYDE-SMITH  
United States Senator

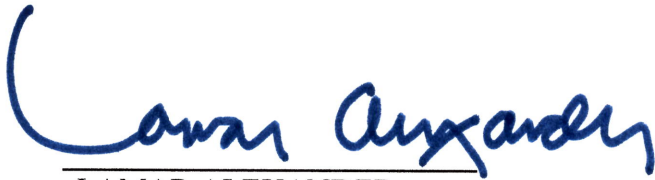


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RICHARD SHELBY  
United States Senator

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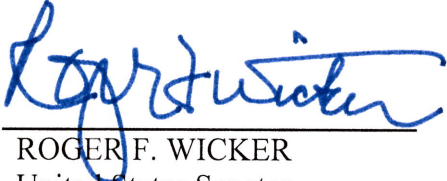
<sup>1</sup> [https://www.chartis.com/resources/files/INDEX\\_2016\\_Rural\\_Relevance\\_Study\\_FINAL\\_Formatted\\_02\\_08\\_16.pdf](https://www.chartis.com/resources/files/INDEX_2016_Rural_Relevance_Study_FINAL_Formatted_02_08_16.pdf)



LAMAR ALEXANDER  
United States Senator



JOHNNY ISAKSON  
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