

November 16, 2022

Dear Members of the Pennsylvania Congressional Delegation:

On behalf of the approximately 235 member hospitals of The Hospital and Healthsystem Association of Pennsylvania (HAP), I write to urge the inclusion of policies critical to hospitals, their communities, and patients in any end-of-year legislative package.

Pennsylvania hospitals and health systems are facing unprecedented challenges and pressures, including severe staffing shortages, supply chain breakdowns, and record inflation for drugs, supplies, and equipment. Congress' support for providers during the COVID-19 public health emergency (PHE) has not blunted the full impact of the immense expense and revenue pressures hospitals continue to face.

Hospitals cannot increase their prices to offset rising costs and reductions in revenue. The majority of inpatient utilization in Pennsylvania hospitals involves Medicare and Medicaid, which provide fixed payments and reimburse less than the cost of providing care. According to a projection by MedPAC, hospital and health system margins on Medicare services will fall to -9 percent during 2022. In Pennsylvania, 97.8 percent of hospitals have 50 percent or more inpatient days paid by Medicare or Medicaid.

To ensure Pennsylvania hospitals can continue to provide essential care to patients and communities, HAP requests Congress take the following action as part of its end-of-year legislative agenda:

- **Prevent the 4 percent PAYGO cuts to hospitals**
Without congressional action, hospitals face a 4 percent cut to their Medicare payments during 2023, risking further destabilization to our already strained health care system. PAYGO cuts are scheduled to take effect during 2023.
- **Extend the Medicare-dependent hospital program and the enhanced low-volume adjustment**
These critical programs support rural hospitals for which Medicare patients make up a significant percentage of inpatient days or discharges, or those with low patient volume.
- **Establish a temporary Medicare per diem payment**
To address the issue of hospitals not being able to discharge patients to post-acute care or behavioral facilities because of staffing shortages, Congress should establish a temporary Medicare per diem payment.



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- **Create a special statutory designation for certain hospitals that serve marginalized urban communities**

Congress should act to recognize hospitals that serve communities that include patients who are low income, and often challenged in accessing comprehensive, quality health care.

- **Address the behavioral health crisis**

The behavioral health crisis is complex and systemic. Meeting the demand for services and making available the resources necessary to support Pennsylvanians' mental health will require sound initiatives. With more Pennsylvanians grappling with anxiety, depression, suicide, substance disorder, and other mental health challenges heightened by the pandemic, now is the time to take aggressive steps to address the crisis. Please see our recent [letter](#) about behavioral health priorities, including expanding the workforce, increasing access to services, and bolstering the triage and treatment capacity of emergency departments throughout the commonwealth.

- **Extend telehealth policies implemented during the COVID-19 PHE**

To ensure access to telehealth services, Congress should enact the House-passed Advancing Telehealth Beyond COVID-19 Act of 2021 (H.R. 4040). The bipartisan bill would extend important flexibilities, including removing geographic restrictions, allowing use of audio-only services, and expanding the types of practitioners eligible to be reimbursed for telehealth services.

- **Extend the hospital-at-home program**

Through temporary waivers, several Pennsylvania hospitals have established a hospital-at-home program or are in the process of doing so. The hospital-at-home program, which allows qualified patients to receive acute care in their homes, has been found in early studies to increase quality, reduce costs, and result in high patient satisfaction. Congress should pass the Hospital Inpatient Services Modernization Act (S. 3792/H.R. 7053) to extend this innovative program so that data, best practices, and other information may inform establishment of a more permanent program. We are working with state policymakers to ensure there is a path to the continued use under Pennsylvania law.

- **Streamline the prior authorization process in Medicare Advantage (MA)**

Enact the Improving Seniors' Timely Access to Care Act (S. 3018/H.R. 3173) to establish an electronic process and reduce how long a health plan may consider a prior authorization request under MA. The legislation would also create a "real-time decisions" process for routinely approved services and require MA plans to report on their prior authorization use and rate of approvals and denials. Federal action would be a welcome parallel under MA to state level reforms that were just enacted in Harrisburg.



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We look forward to continuing to work together to improve patient care in Pennsylvania. If you have any questions, please contact [me](#) at (717) 561-5314; or [John Myers](#), HAP's vice president, federal advocacy, at (202) 863-9287.

Sincerely,

Andy Carter
President and Chief Executive Officer