



Charles N. Kahn III  
President & CEO

August 30, 2022

The Honorable Nancy Pelosi  
Speaker  
U.S. House of Representatives  
Washington, DC 20515

The Honorable Charles Schumer  
Majority Leader  
U.S. Senate  
Washington, DC 20510

The Honorable Kevin McCarthy  
Minority Leader  
U.S. House of Representatives  
Washington, DC 20515

The Honorable Mitch McConnell  
Minority Leader  
U.S. Senate  
Washington, DC 20510

Dear Speaker Pelosi, Minority Leader McCarthy, Majority Leader Schumer, and Minority Leader McConnell:

Rural hospitals across the nation play an essential role in providing local access to affordable care to over 60 million Americans who live in underserved communities. On behalf of the Federation of American Hospitals (FAH), we urge Congress to support rural providers by reauthorizing two critical Medicare payment programs - the Medicare-dependent Hospital (MDH) program and the Low-Volume Hospital (LVH) program - before they expire on October 1, 2022.

The FAH is the national representative of more than 1,000 leading tax-paying hospitals and health systems throughout the United States. FAH members provide patients and communities with access to high-quality, affordable care in both urban and rural areas across 46 states, plus Washington, DC and Puerto Rico. Our members include teaching, acute, inpatient rehabilitation, behavioral health, and long-term care hospitals and provide a wide range of inpatient, ambulatory, post-acute, emergency, children's, and cancer services.

### **Reauthorize MDH and LVH Payment Programs for Rural Hospitals**

Rural hospitals traditionally serve patient populations that are older, lower income, uninsured and more likely to rely on Medicare and Medicaid when compared to the national average and to their urban counterparts. This challenging patient demographic means rural

hospitals have a high volume of Medicare-dependent patients, and a lower volume of total patients overall. The MDH and LVH Medicare payment programs provide eligible rural hospitals with the financial stability and support they need to prevent closures and ensure continued access to care in rural communities.

These are unprecedented times for rural hospitals. Escalating operating costs due to rising inflation and supply chain challenges, among other factors, are adding to the immense financial pressures rural hospitals are already struggling with daily.

The nation's health care workforce shortage, in particular, is having a devastating, disproportionate impact on rural hospitals. Long-documented recruitment challenges have been exacerbated by an aging health care workforce, burnout, price gouging by traveling nurse staffing agencies, competing higher wages in larger cities, and a slowing of visas granted to foreign health care workers - all factors that are contributing to higher average payrolls and strained resources.

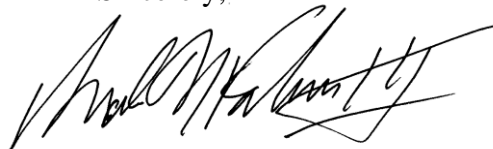
The COVID-19 pandemic has proven, once again, why rural hospitals remain the backbone of small communities. They have been on the frontlines of caring for patients throughout the pandemic, and often serve as the sole comprehensive 24/7 care provider for miles. And as one of the largest community employers, rural hospitals are foundational to fragile local economies.

We are appreciative of past bipartisan Congressional support for the MDH and LVH payment programs. Yet, the challenges for rural hospitals have only grown over time, and with that, so has the need for these two programs to maintain access to care for rural seniors.

We therefore urge you to again demonstrate your support for rural hospitals by making permanent or extending the MDH and LVH payment programs set to expire at the end of September 2022. Addressing these two bipartisan legislative priorities now will give greater certainty to rural hospitals across America and provide a lifeline to our rural health care infrastructure.

Please feel free to contact me or any member of my staff to discuss further these important issues at (202) 624-1534.

Sincerely,

A handwritten signature in black ink, appearing to be "Shirley M. [unclear]". The signature is fluid and cursive, written over a white background.