



Charles N. Kahn III
President and CEO

February 26, 2024

Dear Representative:

Hospitals and health systems play an indispensable role in providing 24/7 access to high-quality care for all individuals, regardless of their ability to pay. As Congress negotiates legislation to fund the government and extend critical health programs, the Federation of American Hospitals (FAH) urges you to OPPOSE any efforts to include site neutral Medicare cuts to hospitals. Such cuts could undermine the critical health care services that hospitals provide, especially to rural and underserved communities.

FAH is the national representative of more than 1,000 leading tax-paying hospitals and health systems throughout the United States. Our members provide patients and communities with access to high-quality, affordable care in both urban and rural areas across 46 states, plus Washington, D.C. 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.

Our primary concern is the impact of site neutral Medicare cuts on hospitals that threaten patients' access to care. Any reduction in Medicare payments would compound the existing financial strain that hospitals face, undermining their viability and ability to maintain critical service lines. These policy proposals disregard the essential role hospitals play in serving patients in every community across the country and jeopardize patient access to care.

As the debate over government funding continues, hospitals are also confronted with the prospect of Medicaid Disproportionate Share Hospital (DSH) cuts, which could exacerbate the challenges faced by hospitals serving high numbers of Medicaid and uninsured patients. Delaying the implementation of these cuts is essential to safeguard access to critical services nationwide. Finally, we urge Congress to reauthorize the Medicare Dependent Hospital (MDH) and Low Volume Hospital (LVH) payment adjustment programs set to expire at the end of this fiscal year. These programs are vital for over 60 million Americans who live in rural communities, sustaining their continued access to hospital care.

FAH urges you to prioritize patient access to hospital care as Congress deliberates the next government funding package. We appreciate your attention to these critical issues and stand ready to work with you to ensure the continued availability of high-quality patient care. Please feel free to contact Charlene MacDonald at (202) 615-0599 to discuss these important issues further.

Sincerely,

A handwritten signature in black ink, appearing to read "Charles N. Kahn III".