

United States Senate

WASHINGTON, DC 20510

November 18, 2014

The President
The White House
Washington, D.C. 20500

Dear Mr. President:

We write to express our concern regarding proposals that would weaken critical access hospitals (CAHs), and urge you to protect these safety net providers for rural communities as you prepare your budget for Fiscal Year (FY) 2016. For the past three years, your Administration has proposed a payment reduction for CAHs and the removal of CAH special designation for facilities located within 10 miles of another hospital. We urge you to exclude these provisions, and any other proposals that would diminish access to CAHs, from the FY 2016 budget. CAHs play a vital role in rural communities across the nation by providing access to primary health, emergency, and acute care services as well as economic security to employees by offering quality jobs. Proposals to reduce Medicare reimbursement for CAHs and to arbitrarily rescind CAH designation for some hospitals would be detrimental to the access and delivery of high quality care in rural America.

We are especially troubled by proposals to eliminate the designation affording cost-based payment for facilities within 10 miles of another hospital. The selection of 10 miles – as opposed to 5, 15, or 20 – is arbitrary and does not consider the implications for access to health care in the communities served by these hospitals. Individuals living in rural communities, particularly the elderly and those with low incomes, will be significantly impacted by these changes. Requiring patients to travel long distances for care may result in life-threatening emergency care delays and barriers to essential preventive care. Moreover, under the proposal, a CAH would lose its status if it is within 10 miles of *any* hospital, regardless of whether the other nearby hospital is capable of providing the services that would be lost if the CAH closed, such as emergency capabilities or obstetrics. These facilities were determined to be CAHs based on state recommendations, with concurrence from the Centers for Medicare and Medicaid Services. If enacted, these policies would devastate about 71 “10-Mile CAHs” across the country.

Further, rural hospitals have experienced significant Medicare reimbursement cuts that have strained critical resources. CAH facilities already face unique challenges, such as remote geographic location, workforce shortages, and limited resources, as they continue to provide 24 hour access to care for isolated rural communities. Since the beginning of 2013, 24 rural hospitals have closed; this is double the pace of the previous 20 months. Proposals to reduce payments to CAHs will only serve to exacerbate the current problem and cause further care shortages in these isolated areas.


We strongly support targeted Medicare reforms to reduce costs and increase quality and efficiency. However, the proposed cuts to CAHs in previous budgets would barely improve Medicare solvency while hindering access to health care in rural areas. The estimated savings


from the CAH 10-mile designation are about one-hundredth of one-percent of 10-year Medicare spending. Additionally, we think these savings are overstated because many patients will likely be redirected to expensive tertiary hospitals whose disproportionate share hospital status and indirect medical education adjustments will limit government savings.

As you consider the FY 2016 budget, we believe that indiscriminate cuts to CAHs are not the answer. We ask that you carefully evaluate any potential policy changes to ensure rural communities are not adversely affected with little budgetary reward.

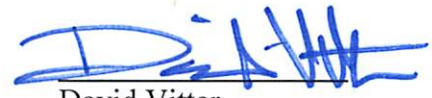
Thank you for your consideration of this important request.

Sincerely,


Tammy Baldwin
United States Senator


Mike Crapo
United States Senator


Michael F. Bennet
United States Senator



David Vitter
United States Senator

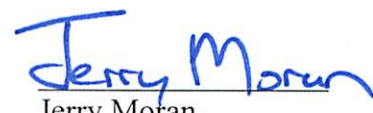

Al Franken
United States Senator


Susan Collins
United States Senator


Tim Johnson
United States Senator

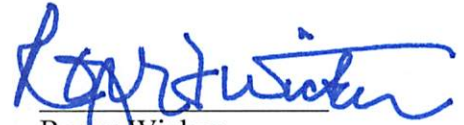

Johnny Isakson
United States Senator


Charles E. Schumer
United States Senator

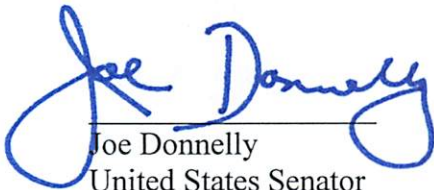

Jerry Moran
United States Senator



Tom Harkin
United States Senator



Roger Wicker
United States Senator



Joe Donnelly
United States Senator



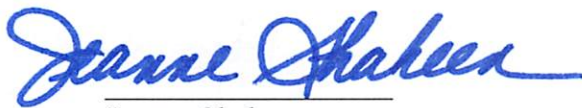
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United States Senator



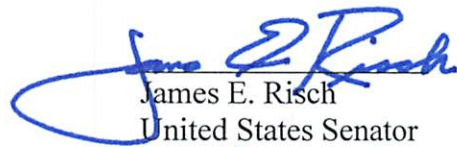
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Amy Klobuchar
United States Senator



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United States Senator



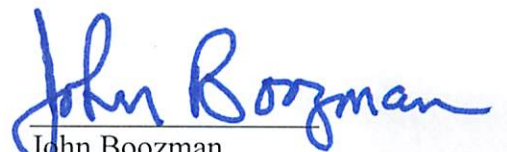
Mary L. Landrieu
United States Senator



Pat Roberts
United States Senator



Mazie Hirono
United States Senator



John Boozman
United States Senator

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Jeff Merkley
United States Senator

Handwritten signature of Maria Cantwell in blue ink.

Maria Cantwell
United States Senator

Handwritten signature of Patty Murray in blue ink.

Patty Murray
United States Senator