United States Senate
WASHINGTON, DC 20510

June 24, 2019

The Honorable Seema Verma
Administrator
Centers for Medicare and Medicaid Services
7500 Security Boulevard
Baltimore, MD 21244

Dear Administrator Verma:

We write in strong support of a proposal in the recently published proposed Centers for Medicare and Medicaid Services (CMS) Fiscal Year 2020 Medicare Hospital Inpatient Prospective Payment System (IPPS) and Long Term Acute Care Hospital rule (CMS-1716-P) to address Medicare reimbursement for residents' time spent at critical access hospitals (CAHs). We strongly support this change and urge you to finalize it as quickly as possible for fiscal year 2020.

The rural communities that are home to CAHs across the country suffer from serious shortages of physicians. Physicians tend to practice near where they train, so training more physicians in rural settings and CAHs is the only way this growing shortfall can be addressed. On August 19, 2013, CMS published revisions to the Medicare hospital IPPS that ended graduate medical education payments to IPPS hospitals that incur the costs of residents who spend a portion of their training time at CAHs. This rule created significant barriers to training residents in rural areas, which desperately need new physicians, by blocking Medicare graduate medical education (GME) reimbursement payments for these rotations.

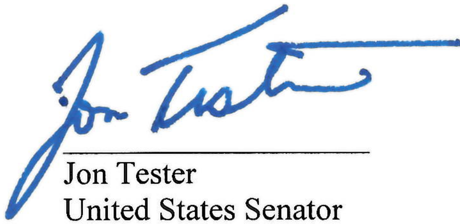
While we are pleased that the proposed regulation would address this problem and allow residents' time spent at CAHs serving rural communities to count towards the residency program's Medicare reimbursement, we write to request additional consideration to address concerns related to setting an IPPS hospital's GME cap, as enacted in the Balanced Budget Act of 1997 (P.L. 105-33). The cap limits the number of full-time equivalent residents that Medicare will support for each hospital. For new teaching programs, the Medicare cap is not calculated and implemented until after the new programs' fifth year. However, for residents that are doing rotations at a CAH currently, the hospitals will not be able to claim the time spent in CAHs as part of their cap-building for Medicare GME.

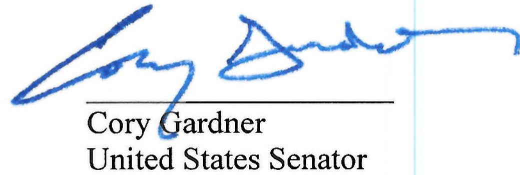
As a result of this nuance, we ask that you review how implementing these regulations only prospectively would affect IPPS hospitals that were in their cap-building phase and hospitals whose caps were set between October 1, 2013, and October 1, 2019, and are working to build provider capacity in rural areas across the country. We request that CMS review the impact of this new stipulation and allow the Medicare Administrative Contractor to recalculate the cap to

include time spent by residents in critical access hospitals during the intervening years to set an appropriate cap for the IPPS hospital.

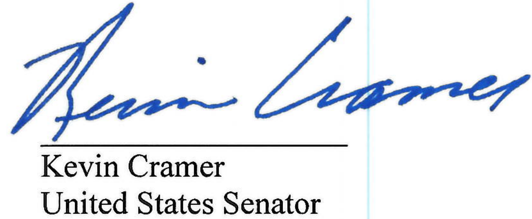
We thank you for your attention to the needs of rural America, and urge you to finalize this regulation. It is an important step in improving health care in rural regions, and we look forward to working with you to bring more physicians to rural communities across the nation.

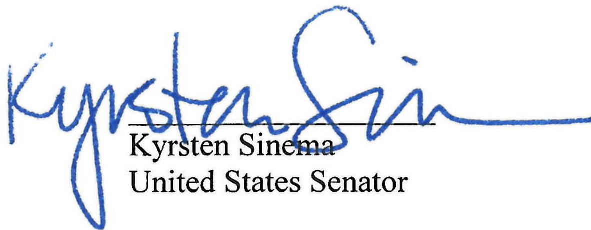
Sincerely,


Jon Tester
United States Senator

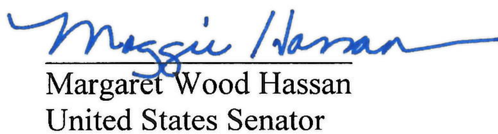

Cory Gardner
United States Senator

Maria Cantwell
United States Senator


Kevin Cramer
United States Senator


Kyrsten Sinema
United States Senator

Cindy Hyde-Smith
United States Senator


Margaret Wood Hassan
United States Senator

John Barrasso
United States Senator

Marsha Blackburn
United States Senator