

**Congress of the United States**  
Washington, DC 20510

July 23, 2019

The Honorable Seema Verma  
Administrator  
U.S. Department of Health and Human Services  
Centers for Medicare & Medicaid Services  
200 Independence Avenue, S.W.  
Washington, D.C. 20201

Dear Administrator Verma,

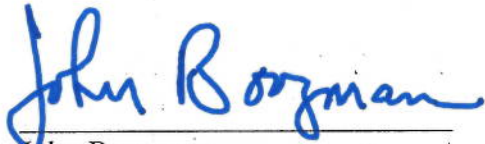
We write to express our support for the Centers for Medicare & Medicaid Services (CMS) proposed rule, “Fiscal Year 2020 Medicare Hospital Inpatient Prospective Payment System and Long-Term Acute Care Hospital Prospective Payment System Proposed Rule and Request for Information” (CMS-1716-P), as it relates to improving payments for hospitals below the twenty-fifth percentile on the wage index.

Hospitals in rural states have long been disadvantaged by the Medicare Area Wage Index (AWI) methodology. Arkansas, along with other similarly situated states, have seen declining wage indexes while labor costs continue to increase. With rural hospitals on the receiving end of some of the lowest reimbursement rates in the country, the current AWI methodology stands to negatively affect rural hospitals in our state and the patients they serve for years to come. Lower reimbursement hinders rural hospitals’ efforts to provide the same level of patient care enjoyed in urban areas and makes it difficult to attract skilled health care workers.

Rural hospitals are essential contributors to their communities, but they are also especially vulnerable. In 2017, more than one-third of Arkansas hospitals had a negative total margin, and, nationwide, nearly one-fourth of rural hospitals are at risk of closure. In a predominantly rural state like Arkansas, structural inequalities like those embedded in the AWI methodology hurt not only hospitals but also all residents – exacerbating already-serious health disparities.

We commend CMS for recognizing the disadvantages of rural hospitals, and we appreciate the agency’s proposal to provide needed relief to low-wage areas, while not increasing Medicare spending. The estimated \$12.3 million increase in total statewide reimbursement from this proposed rule would allow hospital wages to rise to more competitive levels, helping Arkansas attract and retain skilled health care workers, and improving quality care. It is our hope that CMS will promptly finalize this rule to address the significant financial strain on Arkansas’ rural hospitals.

Sincerely,



John Boozman  
U.S. Senator



Tom Cotton  
U.S. Senator



Rick Crawford  
Member of Congress



French Hill  
Member of Congress



Bruce Westerman  
Member of Congress



Steve Womack  
Member of Congress