



September 20, 2016

Sign Onto Nunes-Crowley Letter Urging CMS to Be Flexible in Implementing Medicare Site-Neutral Outpatient Policy

Dear Representative Kirkpatrick:

As the Centers for Medicare & Medicaid Services (CMS) works to finalize regulations implementing the site-neutral Medicare outpatient policies included in Section 603 of last year's Bipartisan Budget Act, NAUH urges you to sign onto a bipartisan letter sponsored by two of your colleagues, Representatives Devin Nunes (R-CA) and Joseph Crowley (D-NY), urging CMS to be more flexible in implementing this requirement than it proposed in the draft of the implementing regulation it published in July.

You are familiar with this issue: you signed onto a similar letter in May, before CMS published its proposed regulation, urging the agency to implement Section 603 in a manner that did not jeopardize access to care to communities across the country. CMS did not heed this request: even though two letters with this message included the signatures of a majority of the members of Congress, CMS still proposed requirements that could jeopardize access to care for Medicare beneficiaries in communities across the country.

Now, the Nunes-Crowley letter again asks CMS to:

- permit hospitals with existing hospital-based outpatient departments to expand or relocate those facilities without losing their hospital-based status and the preferred Medicare reimbursement that comes with that status;
- permit hospitals with existing hospital-based outpatient departments to expand those departments and offer additional services in them without losing their hospital-based status;
- permit hospitals that purchase hospital-based outpatient departments from other hospitals to do so without forfeiting those facilities' hospital-based status; and
- exercise greater flexibility in interpreting what constitutes a new "on-campus" outpatient facility that qualifies for hospital-based outpatient department status.

These changes are essential to private, non-profit urban safety-net hospitals. In many cases, the large numbers of Medicaid, low-income Medicare, and uninsured patients in the communities these hospitals serve makes it impossible for those communities to attract physicians in private practice. The only way to get needed medical services into these communities is for urban safety-net hospitals to build facilities for those doctors (and often to employ them as well), and the Medicare reimbursement associated with hospital-based outpatient departments is the key to making this financially feasible. Without the flexibility afforded by the changes noted above, urban safety-net hospitals risk losing the ability both to respond to their communities' emerging and changing health care needs and to ensure and enhance access to care for their low-income Medicare patients and other low-income residents of their communities.





Representatives Nunes and Crowley are organizing a new letter to CMS making these very points and NAUH urges you to sign onto these letters. To do so, please contact Ruth Hazdovac (Ruth.Hazdovac@mail.house.gov) in Rep. Nunes's office or Nicole Cohen (Nicole.Cohen@mail.house.gov) in Rep. Crowley's office. We urge you to do so promptly: the deadline for signing onto the letter is this Friday, September 23.

We appreciate your consideration of our request and welcome any questions you may have about it.

Sincerely,

Kate Finkelstein
Deputy Executive Director

