Please Provide Responses to the Fields Below Electronically to be Accepted

Medicare Red Tape Relief Project

Submissions accepted by the Committee on Ways and Means, Subcommittee on Health

Date: August 25, 2017
Name of Submitting Organization: National Association of Urban Hospitals ("NAUH")
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Statutor y [ ] **Regulator y** [x]

Please describe the submitting organization's interaction with the Medicare program:
Private, non-profit urban safety-net hospitals are heavily governed and regulated by federal law and regulations. These hospitals serve significant numbers of Medicare and especially low-income Medicare patients. They serve a lower proportion of privately insured patients than the typical hospital, making Medicare one of their most important payers.

Please use the below template as an example of a submission regarding statutory or regulatory concerns, and submit any further concerns past those listed below in a separate Microsoft Word document in the same format. Submissions must be in the requested format or they will not be considered.

In the case of listed Appendices, please attach as PDF files at the end of the submission, clearly marked as "Appendix [insert label]"

In the case of a multitude of submissions, it is recommended that they be submitted in order of priority for the submitting organization or individual.

Short Description:
In FY 2018, the Centers for Medicare & Medicaid Services will begin using uncompensated care data hospitals report on their Medicare cost report S-10 worksheet to calculate a portion of Medicare disproportionate share hospital payments. In its current form, the S-10 is an inadequate tool and should not be used for this purpose.

Summary:
The Affordable Care Act requires that a portion of hospitals' Medicare DSH payments be based on how much uncompensated care they provide. Careful analysis of S-10 data reported by hospitals reveals that hospitals report uncompensated care in drastically different manners, leading some hospitals to report providing amounts of uncompensated care that lack credibility by any standard. The primary problem with the form is its instructions, which are weak, vague, and unclear and therefore subject to interpretation on a hospital-by-hospital basis. CMS is aware of this and has used a low-income proxy measure (Medicaid and SSI days) instead of S-10 uncompensated care data for Medicare DSH calculations ever since this Affordable Care Act requirement was introduced. In FY 2018, despite no meaningful attempt to improve the S-10's instructions and no meaningful improvement in hospitals' data reporting, CMS has decided to use S-10 data in the calculation of Medicare DSH payments. This will result in a maldistribution of Medicare DSH funds that will create numerous undeserving winners and undeserving losers throughout the country.

Related Statute/Regulation:
The FY 2018 Medicare inpatient prospective payment system rule.

Proposed Solution:
NAUH urges Congress to require CMS to continue using the low-income days proxy for 2013 and not use S-10 uncompensated care data until the S-10 form's instructions have been improved and until the quality of the data hospitals report on an improved S-10 can be verified through audits.