

December 7, 2021

Please Prevent Looming Sequestration Cuts in Medicare Payments

Dear Senator Bennet:

The National Alliance of Safety-Net Hospitals appreciates everything Congress is doing to help community safety-net hospitals serve their diverse, predominantly low-income communities during the COVID-19 emergency.

As the end of the year approaches and community safety-net hospitals continue their fight against a resurgence in the number of COVID patients we are seeing, they face yet another threat: looming reductions in their Medicare payments through two sequestrations of those payments that are scheduled to take effect beginning on January 1.

The first reduction is the result of PAYGO rules that would impose a four percent cut on Medicare payments to hospitals. The second is a two percent Medicare sequestration cut mandated by the Budget Control Act that extends through 2031 but that Congress temporarily suspended to help hospitals with their fight against COVID-19 but that, without further action, will resume on January 1.

That fight, it is important for us to emphasize, is far from over. In many states hospitals are again seeing rising numbers of COVID-19 patients, and the arrival of the omicron variant may usher in yet another surge in COVID cases. As hospitals continue to care for their communities they also must deal with many of the same challenges confronting other enterprises in our country: rising costs, supply chain challenges, and especially rising personnel costs amid labor shortages.

The nation's private community safety-net hospitals need your help once again, and we hope you will address this latest challenge and block the two scheduled sequestration cuts by year's end. We – and our patients – are counting on it.

Sincerely,

Kate Finkelstein
Deputy Executive Director

