

Congress of the United States

Washington, DC 20510

September 26, 2013

The Honorable Kathleen Sebelius
Secretary
U.S. Department of Health and Human Services
200 Independence Ave., S.W.
Washington, D.C. 20201

Dear Secretary Sebelius:

We are writing to provide our thoughts regarding report OEI-05-12-00080 released last month by the U.S. Department of Health and Human Services Office of Inspector General (OIG), and to express our serious concerns with the troubling recommendations this report makes with respect to the Critical Access Hospital (CAH) program. If implemented, the proposals contained in this OIG report would jeopardize the survival of many rural hospitals in our home state of Kansas and endanger Kansans' access to health care in their own communities.

Kansas has 83 CAHs – more than any other state – which play a vital role in providing health care to rural Kansans. These CAHs treat hundreds of thousands of patients annually across our state. They comprise a significant component of Kansas' health care safety net, and are essential to the survival and success of many Kansas communities. The access to health care these CAHs provide determines whether Kansans can grow old in the communities they call home, and whether their children will return to those communities to raise families of their own.

The proposals contained in this OIG report would have drastic ramifications for these hospitals and the Kansans they serve. The report recommends that Congress pass legislation to allow the Centers for Medicare & Medicaid Services to eliminate the CAH designation for any hospital participating in the CAH program pursuant to the state "necessary provider" (NP) designation. Such a proposal fails to acknowledge the unique circumstances of health care delivery in Kansas and across rural America, and obfuscates the intended purpose of NP designation.

Under the OIG report's proposals, CAHs would be stripped of their designation if they did not comply with the original distance requirements, regardless of whether a hospital came into the CAH program under NP designation and whether such change would create barriers to patients' access to health care. By doing this, the OIG seeks to eliminate the NP determinations authorized for states that have carefully and selectively made their decisions based on unique characteristics of rural areas served by a CAH. These characteristics include patient demographics, geography, specialty care, and community need. We know you are sympathetic to what such analysis entails because, as Governor of Kansas, you personally ensured the NP designation was applied to enable many rural hospitals in our state to participate in the CAH program.

It is important to recognize that the OIG's recommendation would eliminate CAHs based entirely on strict mileage requirements, rather than an evaluation of their ability to deliver vital services within their community. Maintaining meaningful access to health care depends on much more than strict mileage requirements between providers. Under the OIG's proposals, a CAH would lose its status even if another hospital in the proximity provided specialized treatment for unique patient needs not experienced

by a typical rural Medicare patient. These specialized treatments include such hospital services as rehabilitative, psychiatric, or a hospital that provides trauma or cardiac care. It is easy to see how adoption of a proposal such as the OIG report suggests would require choosing one type of care over another and would create major health access voids in Kansas and other parts of rural America.

Moreover, eliminating CAHs per the OIG's proposal would trigger a devastating chain reaction, causing not just one CAH to lose its designation but other CAHs that would fall under the report's modified distance requirement. The absurd result of such a scheme would most likely lead to the closure of both hospitals, severely rationing care in rural America. Also under this proposal, if a CAH lost its designation and became a subsection D hospital, the status of other facilities with alternative Medicare designations, such as Medicare Dependant or Sole Community Hospital status, would be altered as well. This would result in multiple hospitals suddenly facing substantial Medicare cuts and severe financial challenges. In a single blow, the OIG report's proposals would jeopardize the survival of the majority of CAHs in Kansas and access for their patients who depend on these and other rural health facilities for care. These hospitals already operate on small margins because they provide care to increasingly aging populations across wide areas with a low reimbursement structure. Additionally, these CAHs are extremely important to their respective local economies as one of their largest employers.

While we strongly believe that Congress must reduce federal spending, lower our national debt, and return to a regular budget and appropriations process, we would have strong concerns with any future legislation that contained the proposals in this OIG report. It is widely understood that hospitals in rural America face a variety of unique challenges. Congress created the CAH program and other rural health programs to address these challenges and strengthen rural health care access for the long term. This report instead based its proposals on an intent to find speculative savings to Medicare and technical mileage requirements, rather than focusing on the needs of individual rural communities. Such proposals would have drastic ramifications for many rural hospitals in Kansas, disproportionately affect patients' access to health care, and threaten the survival of communities in our state. Based on your unique understanding of these important rural health issues, we urge you to consider other options than those presented in the report for any future proposals you would suggest be enacted into law.

Sincerely,



Senator Pat Roberts



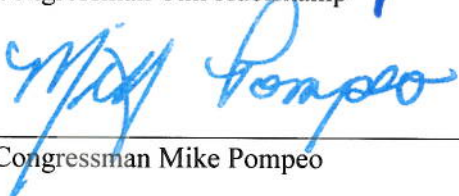
Senator Jerry Moran



Congressman Tim Huelskamp



Congressman Kevin Yoder



Congressman Mike Pompeo



Congresswoman Lynn Jenkins