

December 1, 2020

The Honorable Nancy Pelosi
Speaker

The Honorable Kevin McCarthy
Minority Leader

The Honorable Nita M. Lowey
Chair, Appropriations

The Honorable Kay Granger
Ranking Member, Appropriations

The Honorable Richard E. Neal
Chair, Ways and Means

The Honorable Kevin Brady
Ranking Member, Ways and Means

The Honorable Frank Pallone, Jr.
Chair, Energy and Commerce

The Honorable Greg Walden
Ranking Member, Energy and Commerce

Dear Congressional Leaders:

The undersigned write to request the inclusion of an [amendment](#) in the Continuing Budget Resolution under development that will postpone for 180 days a CMS Transmittal Notice that would recoup about \$2 billion from the 120 hospital-based nursing schools across the country – putting many of them out of business and forcing others scale back significantly. Considering the current pandemic, this is totally unacceptable.

These nursing schools receive about \$108 million annually in CMS pass-through funds to support their nursing education programs. Hospital-based nursing schools act as both employer and educator providing a pipeline of highly trained nurses to many of the communities suffering the highest levels of nursing shortages.

On August 21, 2020, CMS issued Transmittal 10315 (Change Request 11642), instructing Medicare Administrative Contractors (MACs) to recalculate the Part C components of nursing and allied health (NAH) and direct graduate medical education (DGME) payments to hospitals for calendar years 2002 through 2018. This applies to all unsettled cost reports as well as those settled within the past three years.

According to the transmittal, CMS failed to make annual updates to the DGME Part C payments that fund the Nursing and Allied Health (NAH) Part C payment pool of up to \$60 million annually. CMS has decided the “solution” to the problem it created is to recalculate and recoup payments previously made to NAH programs – effective September 21, 2020. Some hospital-based nursing schools project losing as much as 70% of past payments, with additional payment reductions going forward. The initial analysis is that this could result in the recoupment of about \$2 billion in past payments and at least \$30 million in additional payment cuts each year. This “solution” will result in the closing of NAH programs with the concomitant loss of nursing and allied health professionals at a time when these health care providers are most needed.

Compounding the problem is that CMS gave these hospitals and their nursing schools barely a month’s notice before implementing the new policy. This creates an impossible management

situation and will likely force closings and curtailments sooner rather than later. CMS says it does not have the authority to delay the Transmittal Notice beyond mid-December.

We request the inclusion of the amendment to delay the Transmittal implementation giving all interested parties time to develop a workable solution. We must work to ensure the future of hospital-based nursing schools, its employees and graduating nurses who have done so much for this nation during the pandemic.

Sincerely,