

December 2, 2020

The Honorable Nancy Pelosi
Speaker

The Honorable Kevin McCarthy
Minority Leader

The Honorable Mitch McConnell
Majority Leader

The Honorable Charles E. Schumer
Minority Leader

The Honorable Nita M. Lowey
Chair, Appropriations

The Honorable Kay Granger
Ranking Member, Appropriations

The Honorable Richard C. Shelby
Chair, Senate Appropriations

The Honorable Patrick J. Leahy
Ranking Member, Senate Appropriations

Dear Congressional Leaders:

As negotiations continue on the final Fiscal Year 2021 appropriations bills, we write to urge you to include a provision to protect the nation's 120 hospital-based nursing schools across the country from facing devastating cuts in funding in the middle of a pandemic.

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 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. CMS gave these hospitals and their nursing schools barely a month's notice before implementing this new policy. 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.

While CMS recognizes the tremendous impact this will have on school across the country, they believe they lack the authority to delay the Transmittal Notice beyond mid-December. For these reasons, we urge you to include language implementing a 180 day delay on the Transmittal Notice to give hospital-based nursing programs more time to work with CMS to find a more long-term solution.

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. Failure to act puts 120 hospital-based nursing schools across the country at risk of closure or cutbacks at a time where we need them the most.

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. Thank you for your continuing work and thank you for the consideration.

Sincerely,