

FOR IMMEDIATE RELEASE

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## **Congress and CMS Fail to Give Nursing Schools Needed Lifeline as Pandemic Rages**

### **Nursing Schools May Close, Cut Back Training, to Deal with Federal Budget Cuts**

The number of nurses and allied health professionals could be shrinking during the Covid pandemic because of a CMS action that will begin to recoup this week more than \$1 billion from 120 hospitals that operate nursing and allied health colleges across the country. CMS inadvertently created the problem starting in 2002, when it failed to cap Medicare Advantage payments to these hospital-based nursing schools, as required by law. It is an oversight that continued each year until it was discovered last year. CMS decided it needed to recoup the funds now and re-impose the reimbursement cap.

These hospitals and their nursing schools produce about 5 percent of the nation's nurses each year, according to an estimate from the coalition of hospital-based nursing colleges. The CMS recoupment and subsequent reimbursement reduction is expected result in some college closures and operating curtailments that will reduce the flow of new nurses and allied health technicians into the workforce. (Click [here](#) for the CMS Transmittal Notice that details the issue.)

The coalition of schools had been working with Congress to include an amendment in the year-end spending bill that would have delayed recoupment for 180 days, giving impacted organizations more time to develop a longer-term solution. Congress did not include the amendment. The hospital-based schools learned of the CMS recoupment action in mid-October with a recoupment deadline of November 27. CMS agreed to postpone the recoupment until December 21, waiting to see if Congress included the amendment.

"This will be a significant hit to our budget and we are already in discussions to determine whether we will be able to keep our college open," said .....

"Our hospitals and colleges did nothing wrong. We complied with all the CMS requirements each year to report our allowable costs associated with teaching nursing students. CMS has been calculating this wrong for 18 years and they want to recoup these funds all at once...this is very unfair," said.....

"Efforts in the House and Senate over the past two months to include an amendment pausing the CMS recoupment action was unsuccessful – even though the legislative delay would have cost the government nothing," said.....

Click [here](#) for the list of hospitals with nursing and allied health schools.