

September 16, 2022

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 Fiscal Year 2023 appropriations bills, we write to urge you to include S.1568 / HR 4407 the TRAIN Act to protect the nation's 119 hospital-based nursing schools across the country from devastating funding cuts. COVID-19 has revealed just how devastating America's nursing shortage has become and now is not the time to be scaling back funding for nursing schools.

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 decided to recalculate and recoup payments previously made to NAH programs – effective September 21, 2020.

Our NAH programs worked diligently with CMS in the fall of 2020 to secure a reasonable solution to CMS' error. Although CMS delayed recoupment through the fall of 2020, the MACs began recouping in early 2021 more than \$100 million in Medicare pass-through payments CMS deemed as overpayments. Those recoupments are continuing today.

Some hospital-based nursing schools project losing as much as 70% of past payments, with additional payment reductions going forward. A preliminary CBO analysis shows that the recoupment will amount to about \$173 million. There will also be annual reductions of about \$30 million in additional payment cuts each year beginning in 2022.

This policy 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. In 2004, there were about 250 hospitals that received Medicare pass-through payments to operate nursing schools. Today, that number is 119.

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 consideration.

Sincerely,

(Name of School) (State)