



The Honorable Tammy Baldwin
Chair, Subcommittee on Labor,
Health and Human Services, Education,
and Related Agencies
United States Senate
Washington D. C. 20510

The Honorable Shelley Moore Capito
Ranking Member, Subcommittee on Labor,
Health and Human Services, Education,
and Related Agencies
United States Senate
Washington D. C. 20510

Dear Chair Baldwin and Ranking Member Capito:

The American Society of Health-System Pharmacists (ASHP) strongly supports inclusion of the language proposed by Senator Amy Klobuchar in the Fiscal Year 2025 (FY25) Appropriations bill directing the Centers for Medicare & Medicaid Services (CMS) to provide compliance guidance for allied health professional residency programs operated by hospitals. ASHP is the largest association of pharmacy professionals in the United States, representing 60,000 pharmacists, student pharmacists, and pharmacy technicians in all patient care settings, including hospitals, ambulatory clinics, and health system community pharmacies. We accredit pharmacy postgraduate programs around the country. CMS is arbitrarily clawing back funding for pharmacy and other allied health residency programs (i.e. nursing and chaplaincy) without providing guidance on how those residencies can meet CMS requirements. This is putting residencies at risk. We strongly support inclusion of language in the Labor/HHS FY25 appropriations bill directing CMS to provide clear guidance before clawing back residency funding.

Specifically, since 2019, CMS has used a change in its auditing procedure to fundamentally shift the requirements for allied health residency programs, but it has never updated its regulations or provided guidance on how residencies can comply. Auditors have begun using a so-called “direct control” requirement (42 C.F.R. §413.85) to disallow funding for everything from off-site clinical rotations at other hospitals within a health system, to the use of a health system’s name on a pharmacy residency program, to use of shared educational resources, and even for use of shared human resources and payroll across a health system, despite the fact that program regulations explicitly allow for such shared services and CMS has provided no guidance to the contrary.

As a result, programs have no way to determine if they will have their funding clawed back, despite long previous histories of clean audits. Residency programs should not be left guessing how to comply and should not be punished because CMS has failed to communicate compliance requirements.

ASHP Support for Inclusion of Allied Health Language
in the Labor/HHS Appropriations Bill
May 14, 2024
Page 2

ASHP asks you to support the inclusion of this language in the Labor/HHS appropriations bill and thanks you for your work on this issue. We look forward to continuing to work with you to ensure Americans have a strong pharmacy workforce. If you have questions or if ASHP can assist you in any way, please contact Frank Kolb at fkolb@ashp.org.

Sincerely,

A handwritten signature in black ink, appearing to read 'Tom Kraus', written over a light yellow rectangular background.

Tom Kraus
American Society of Health-System Pharmacists
Vice President, Government Relations