June 28, 2024

The Honorable Mike Johnson
Speaker of the House of Representatives

The Honorable Charles E. Schumer
U.S. Senate Majority Leader

The Honorable Hakem Jeffries
U.S. House Democratic Leader

The Honorable Mitch McConnell
U.S. Senate Republican Leader

The Honorable Jason T. Smith
Chairman, Ways and Means Committee

The Honorable Richard Neal
Ranking Member, Ways and Means Committee

The Honorable Ron Wyden
Chairman, Senate Finance Committee

The Honorable Mike Crapo
Ranking Member, Senate Finance Committee

Dear House and Senate Leaders:

As you know, hospital-based nursing and allied health professional residency programs help to train the next generation of nurses, pharmacists, clinical pastoral counselors and chaplains, occupational, speech, and physical therapists, medical laboratory scientists, and other integral members of patient care teams in the health care system. These education programs not only allow the professional development of these clinical professionals, but also enhance patient satisfaction, care outcomes, and safety by ensuring a well-trained diverse workforce. Unfortunately, even with federal support for these educational programs, communities across the country are experiencing an unprecedented shortage of trained healthcare professionals.

We are a Coalition of hospital-based schools of nursing and allied health and are all committed to producing as many highly qualified clinical professionals as possible to meet the growing demand. Most of our schools have existed for decades but our numbers are dwindling because of a variety of challenges, including decades-old federal regulatory requirements that are extremely difficult to meet today as our health systems continue to evolve. **We are respectfully requesting that Congress pass legislation that will require an update of the regulations governing these hospital-based schools and continue to update the funding mechanism that allows our schools to meet the growing demand for clinical professionals.**

To make matters worse, we have learned that the Centers for Medicare & Medicaid Services (CMS) is taking advantage of our regulatory challenges and has clawed back millions of dollars of Medicare pass-through payments to hospitals for the operation of many of these educational programs. We are now alarmed about the impact this practice is having on patients and our nation's health care workforce. This is especially concerning in rural communities that are served by the majority of the hospital-based clinical schools.

The core problem stems from regulations that have not kept up with the changing clinical environment. CMS' strict interpretation of regulatory compliance standards for residency and education programs in an environment that has changed significantly since the regulations were first issued. Consequently, our clinical education schools find themselves navigating a maze of compliance requirements with little new guidance, leaving them vulnerable to substantial financial penalties.

In addition to reducing the number of hospital-trained providers, CMS' efforts to disallow costs that are clearly reimbursable under the Medicare statutes substantially increase the financial pressures contributing to school closures. Many of the communities we serve are struggling to understand how to address a devastating lack of available providers.

We strongly believe that it is improper, and even unlawful in some instances, for CMS to instruct their Medicare Administrative Contractors to penalize the hospitals operating these clinical schools. In 1965, when the 89th U.S. Congress established the Medicare program, federal legislators recognized that the government could not provide millions of Medicare beneficiaries with access to healthcare services unless it also maintained an adequate number of trained healthcare professionals. Congress' solution was elegant in its simplicity: the Medicare program would provide hospitals with reasonable cost-based reimbursement for the benefits Medicare beneficiaries receive from a hospital's participation in healthcare professional educational programs and activities.

For more than fifty years, this federal support has helped sustain critical hospital-based nursing and allied health educational programs – training countless numbers of nurses, pharmacy technicians, therapists, and other allied healthcare professionals.

Under current law, Social Security Act §1861(v)(1)(A) and the Omnibus Budget Reconciliation Act of 1990 §4004(b) (Public Law 101–508 §4004(b)) and 42 CFR Part 413, direct and indirect costs properly attributed to these program activities on a hospital's cost report are allowable if they meet certain conditions. While our Coalition does not oppose the need for the government to set specific requirements, current mandates have not kept up with changes in America's health care delivery system. For example, a hospital with a nursing school is not allowed to claim pass-through reimbursements for costs incurred when a nursing student receives training in another hospital (i.e. one operating in a rural or inner-city location) that is part of the host hospital's health care system. This severely limits clinical training, disadvantages patients in hospitals that do not host a nursing school and reflects an antiquated view of how health care is delivered across the United States today. This is one of many updates that will require an update in statute.

We thank you for the ongoing support you express for our schools of nursing and allied health. We look forward to working with you on addressing these pressing issues.

Sincerely,
Advocate Health
Aultman College
Allen College, UnityPoint Health
Barnes-Jewish Hospital Goldfarb School of Nursing
Baptist Health Sciences University
Baptist Memorial Health Care Corporation
BJC HealthCare
Bon Secours Memorial College of Nursing
Bon Secours St. Mary's Hospital School of Medical Imaging
Bon Secours Southside College of Health Sciences
Bryan College of Health Sciences
Cabarrus College of Health Sciences
Carolinas College of Health Sciences
Clarkson College
Cox College, Lester E. Cox Medical Centers

Firelands Regional Medical Center School of Nursing/Firelands Health
Henry Ford Health
Holy Name Sister Claire Tynan School of Nursing
Kettering College
Kettering Health
Lawrence Memorial Regis College, Tufts Medicine-MelroseWakefield Healthcare
Legacy Health
Margaret H. Rollins School of Nursing, Beebe Healthcare
Marshall Health Network, St Mary's Medical Center, Center for Education
Mercy College of Ohio
Methodist Healthcare
Nebraska Methodist College
OSF HealthCare
Our Lady of Lourdes School of Nursing, Virtua Our Lady of Lourdes Hospital
Piedmont Atlanta Hospital- Postgraduate Year One (PGY1) Pharmacy Residency program at Piedmont Hospital
Piedmont Athens Regional Medical Center- Postgraduate Year One Pharmacy Resident Program
Piedmont Augusta Hospital- Radiography & CVT schools
Piedmont Columbus Regional Midtown Hospital-Piedmont Columbus Regional Midtown-PGY1 Pharmacy Residency
Presbyterian Healthcare Services
Reading Hospital School of Health Sciences
Riverside College of Health Sciences (formerly Riverside College of Health Careers)
Riverside Health / Riverside Regional Medical Center
Saint Luke's Hospital of Kansas City, part of Saint Luke's Health System
St. Elizabeth School of Nursing, Franciscan Health Lafayette
Signature Healthcare Brockton Hospital School of Nursing, Signature Healthcare
Trinity Health System School of Nursing
UPMC Altoona
UPMC Chautauqua
UPMC Hamot
UPMC Jameson
UPMC Magee-Womens Hospital
UPMC McKeesport
UPMC Mercy
UPMC Northwest
UPMC Pinnacle
UPMC Presbyterian
UPMC St. Margaret
UPMC Williamsport

cc:

U.S. Representative Darin LaHood
U.S. Representative Brad Schneider
U.S. Senator Amy Klobuchar
U.S. Senator Sherrod Brown
U.S. Senator Shelley Moore Capito
U.S. Senator Thom Tillis
U.S. Senator Ben Ray Lujan
U.S. Senator Tina Smith
U.S. Senator Peter Welch
U.S. Senator Debbie Stabenow