

July 8, 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  
Allen College, UnityPoint Health  
Aultman College  
Barnes-Jewish Hospital Goldfarb School of Nursing  
Baptist Health Sciences University  
Baptist Memorial Health Care Corporation  
Blessing-Rieman College of Nursing & Health Sciences  
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  
 Goldfarb School of Nursing at Barnes-Jewish Hospital  
 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  
 Mount Carmel College of Nursing  
 Nebraska Methodist College  
 OSF HealthCare  
 Our Lady of Lourdes School of Nursing, Virtua Our Lady of Lourdes Hospital  
 Piedmont Atlanta Hospital  
 Piedmont Athens Regional Medical Center  
 Piedmont Augusta Hospital  
 Piedmont Columbus Regional Midtown Hospital  
 Presbyterian Healthcare Services  
 ProMedica  
 Reading Hospital School of Health Sciences  
 Research College of Nursing, HCA Healthcare  
 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  
 Southeast Missouri Hospital College of Nursing and Health Sciences  
 St. Elizabeth College of Nursing, part of Wynn Hospital of the Mohawk Valley Health System  
 St. Elizabeth School of Nursing, Franciscan Health Lafayette  
 Signature Healthcare Brockton Hospital School of Nursing, Signature Healthcare  
 The Christ College of Nursing and Health Sciences  
 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. Representative Lisa Blunt Rochester  
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

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