

August 19, 2024

The Honorable Jason Smith
Chair
Committee on Ways and Means
United States House of Representatives
1139 Longworth House Office Building
Washington, DC 20515

The Honorable Richard Neal
Ranking Member
Committee on Ways and Means
United States House of Representatives
1129 Longworth House Office Building
Washington, DC 20515

Dear Chairman Smith and Ranking Member Neal,

On behalf of the undersigned organizations, which collectively represent a significant portion of the long term care hospital (LTCH) industry, we are writing to urge the Ways and Means Committee to swiftly consider legislation to stabilize the industry so that the needs of our sickest and most vulnerable Americans can continue to be met.

LTCHs, which provide specialized and extended hospital-level care to the most medically complex and critically ill patients, are experiencing significant financial challenges impacting their ability to continue to care for patients. **We respectfully urge the Committee to consider legislation to ensure appropriate payments for the costly Medicare patients cared for at these hospitals. Specifically, we are seeking modification to the payment criteria, a reformed method to determine the High Cost Outlier (HCO) Fixed-Loss Amount, increased reimbursement for the most medically complex patients, and the ability to admit patients to LTCHs directly from critical access hospitals (CAHs).** These provisions are particularly important to the industry as a whole and are vital to ensuring critically ill patients, including patients in rural areas, continue to have access to this level of care by preventing additional bed reductions and hospital closures.

LTCHs play a vital role in the care of critically ill patients, but several financial factors threaten their abilities to continue to provide long-term ICU-level care for the communities they serve. Lagging Medicare payment rate updates, staggering year-over-year increases to the high-cost outlier threshold, and the implementation of the Medicare site-neutral payment policy for LTCHs have all contributed to over 95 LTCHs closing their doors since 2016, when Medicare began using the dual-payment system for LTCHs.

We appreciate the introduction of HR 8576 by Representative Hern (R-OK) to expand the LTCH payment criteria to include additional patients at the LTCH standard payment rate. We also are grateful to Representative Miller (R-WV) for introducing HR 9125 that would similarly address expanding the LTCH standard rate payment criteria, and also reform the HCO fixed-loss amount, increase reimbursement for medically complex patients, and permit the discharge of patients from a critical access hospital directly to an LTCH.

Given the economic realities facing LTCHs, it is most important to the patients served by these hospitals that Congress provide Medicare LTCH payment relief that expands standard rate payment criteria, reforms the HCO fixed-loss ratio, increases reimbursement for the most medically complex patients, and allows CAHs to discharge patients directly to an LTCH. If Congress does not act, additional closures and bed reductions, particularly in rural areas, are expected. As noted by the AHA, if LTCHs continue to close and reduce beds, “this will have ripple effects across the care continuum, placing additional burdens on short-term acute care hospitals and their Intensive Care Units (ICUs), which may no

longer be able to partner with LTCHs for the care of this unique population due to financial challenges or closures.”

In closing, we respectfully request that the Ways and Means Committee consider and approve LTCH relief legislation that includes the above critical reforms this fall. As an industry, we stand ready and united to work with you and your staffs to move such legislation forward.

Sincerely,

National Organizations

AMG Specialty Hospitals
Coalition of Long-Term Acute-Care Hospitals
Community Hospital Corporation
Ernest Health
Landmark Hospitals

National Association for Long Term Hospitals
(NALTH)
PAM Health
Priority Hospital Group
Vibra Health

Alabama

Infirmary Long Term Acute Care Hospital, Mobile AL
Noland Hospital Anniston
Noland Hospital Birmingham

Noland Hospital Dothan
Noland Hospital Tuscaloosa
North Alabama Specialty Hospital

Alaska

St Elias Specialty Hospital

Arkansas

Advanced Care Hospital of White County
Arkansas Continued Care Hospital of Jonesboro
Arkansas Extended Care Hospital of Fort Smith

Arkansas Extended Care Hospital of Hot Springs
Baptist Health Extended Care Hospital

California

Vibra Hospital of Northern California

Vibra Hospital of Sacramento

Colorado

Craig Hospital
Northern Colorado Long Term Acute Hospital

PAM Health Specialty Hospital of Denver
Vibra Hospital of Denver

Connecticut

Gaylord Specialty Hospital

Hospital for Special Care

Florida

BayCare Alliant Hospital
Landmark Hospital of Southwest Florida

PAM Health Specialty Hospital of Jacksonville
PAM Health Specialty Hospital of Sarasota

Georgia

Columbus Specialty Hospital
Emory Long Term Acute Care Hospital

Landmark Hospital of Athens
Landmark Hospital of Savannah

Idaho

Northern Idaho Advanced Care Hospital

Vibra Hospital of Boise

Illinois

Ascension Holy Family

Indiana

AMG Specialty Hospital Central Indiana, Hancock
Campus

AMG Specialty Hospital Central Indiana, Muncie
Campus

AMG Specialty Hospital – Norwest Indiana

Kentucky

Commonwealth Regional Specialty Hospital
ContinueCARE Hospital at Baptist Health Corbin
ContinueCARE Hospital at Baptist Health
Madisonville

ContinueCARE Hospital at Baptist Health Paducah
Continuing Care Hospital – CHI St Joseph Health

Louisiana

AMG Specialty Hospital – Covington
AMG Specialty Hospital – Houma
AMG Specialty Hospital – Lafayette
AMG Specialty Hospital – Zachary
Intensive Hospital of Bossier
Intensive Hospital of Shreveport
Louisiana Extended Care Hospital - Lafayette
Louisiana Extended Care Hospital - Natchitoches
PAM Health Specialty and Rehabilitation Hospital of
Covington

PAM Health Specialty Hospital of Hammond
PAM Health Specialty Hospital of Shreveport
Ochsner Extended Care Hospital
RiverBridge Specialty Hospital
Riverside Hospital
Ruston Regional Specialty Hospital
Sage Specialty Hospital
Specialty Extended Care Hospital of Monroe

Massachusetts

PAM Specialty Hospital of Stoughton
Vibra Hospital of Western Massachusetts – Central
Campus

Vibra Hospital of Southeastern Massachusetts

Michigan

Pioneer Speicalty Hospital – Garden City, Michigan
Pioneer Specialty Hospital – Pontiac, Michigan
University of Michigan Health - Sparrow Specialty
Hospital

Vibra Hospital of Southeastern Michigan – DMC
Campus
Vibra Hospital if Southeastern Michigan – Taylor
Campus

Mississippi

Ochsner Specialty Hospital

Missouri

Landmark Hospital of Cape Girardeau
Landmark Hospital of Columbia

Landmark Hospital of Joplin
Mosaic Life Care at St Joseph

Montana

Advanced Care Hospital of Montana

Nebraska

Madonna Rehabilitation Hospitals

Nevada

AMG Specialty Hospital Las Vegas
Horizon Specialty Hospital of Henderson
Horizon Specialty Hospital of Las Vegas

PAM Health Specialty Hospital of Las Vegas
PAM Health Specialty Hospital of Reno

New Mexico

Advanced Care Hospital of Southern New Mexico

AMG Specialty Hospital Albuquerque

North Carolina

Asheville Specialty Hospital
Carolinas ContinueCARE Hospital at Pineville

PAM Health Specialty Hospital of Rocky Mount

North Dakota

Vibra Hospital of Central Dakotas

Vibra Hospital of Fargo

Ohio

Advanced Specialty Hospital of Toledo

PAM Health Specialty Hospital of Miamisburg

Oklahoma

AMG Specialty Hospital Oklahoma City
PAM Health Specialty Hospital of Oklahoma City

PAM Health Specialty Hospital of Tulsa

Oregon

Vibra Specialty Hospital of Portland

Pennsylvania

PAM Health Specialty Hospital at Heritage Valley
PAM Health Specialty Hospital of Pittsburgh

PAM Health Specialty Hospital of Wilkes-Barre

South Carolina

ContinueCARE Hospital at Palmetto Health Baptist
Spartanburg Hospital for Restorative Care

Vibra Hospital of Charleston

South Dakota

Rehabilitation and Critical Care Hospital of the Black Hills

Texas

Carrus Specialty Hospital
ContinueCARE Hospital at Hendrick
ContinueCARE Hospital at Medical Center-Odessa
Covenant Specialty Hospital
Houston Methodist Continuing Care Hospital
Laredo Specialty Hospital
Mesquite Specialty Hospital
Mid-Jefferson Extended Care Hospital
PAM Health Specialty Hospital of Corpus Christi
Bayfront
PAM Health Specialty Hospital of Corpus Christi
North
PAM Health Specialty and Rehabilitation Hospital of
Luling

PAM Health Specialty and Rehabilitation Hospital of
New Braunfels
PAM Health Specialty Hospital of San Antonio
PAM Health Specialty Hospital of San Antonio
Medical Center
PAM Health Specialty Hospital of Texarkana
PAM Health Specialty Hospital of Victoria North
PAM Health Specialty Hospital of Victoria Southeast
Texas Health Specialty Hospital
Texas NeuroRehab Center
Tyler ContinueCARE Hospital at Mother Frances-CHC
Vibra Hospital of Clear Lake
Vibra Hospital of Houston
Vibra Hospital of Richardson

Utah Valley Regional Specialty Hospital

Utah

Western Peaks Specialty Hospital

Centra Specialty Hospital
Hospital for Extended Recovery

Virginia

Lake Taylor Transitional Care Center