

6-14-2022

Department of Health and Human Services,
Attention: CMS-1771-P,
P.O. Box 8013,
Baltimore, MD 21244-1850
Electronically submitted: www.regulations.gov.

Re: Hospital Inpatient PPS Proposed Rule for Fiscal Year 2023

Dear Centers for Medicare & Medicaid Services Leadership,

The Alaska Hospital and Healthcare Association is extremely concerned with CMS' proposed payment update of only 3.2% especially in consideration of the extraordinary inflationary environment and continued labor and supply cost pressures hospitals and health systems face. When accounting for proposed changes to disproportionate share hospital (DSH) payments, outlier payments, the Medicare dependent hospital (MDH) and low-volume adjustment (LVA) programs, and other policies, CMS estimates that inpatient PPS hospitals would see a net decrease of 0.3% from FY 2022 to FY 2023.

During these unprecedented times of exceptional costs in Alaska due to pandemic mitigation, and significant labor shortages, with a continued reliance on costly temporary staff, our hospitals cannot afford a reduction in payment. A net reduction in payment is unacceptable for hospitals and health systems, and their caregivers, that have been on the front lines of the COVID-19 pandemic for over two years now.

We appreciate CMS proposed a 5% cap on any decrease to a hospital's wage index, though we, along with American Hospital Association (AHA), urge that this be applied in a non-budget neutral way. CMS also proposes to use more than one year of data to determine uncompensated care costs. We agree with the AHA that utilizing a single year of S-10 data may increase the potential for anomalies and undue fluctuations in uncompensated care payments especially when hospitals experience unforeseen circumstances such as a pandemic.

CMS's recognition that the COVID-19 pandemic continues to affect hospital performance in its quality measurement and value programs is appreciated. We appreciate the proposal to not penalize hospitals for non-representative performance under the Hospital-Acquired Condition Reduction and Value-Based Purchasing Programs for FY 2023.

The members of Alaska Hospital and Healthcare Association share CMS' commitment to advancing health equity and improving maternal health. We look forward to reviewing the details of CMS' proposed health equity-related quality measures and participating in the process to ensure the work is meaningful for our communities.

The continued burden of reporting weighs heavily on our hospitals. The proposed continuation of COVID-19-related reporting results in a daily reporting struggle for small facilities with limited staff and an ongoing costly burden for larger hospitals and systems. Any proposed revision for COVID-19 hospital data reporting needs to align with CDC and NHSN so that there is a single reportable source with



consistent reported elements. The continuous change and addition of elements, including proposed diagnosis or pre-existing conditions, results in an ongoing burden. Gathering the rapidly changing data daily and submitting the proposed elements is a challenge and costly for facilities. Automation and streamlining such data are essential for a long-term reportable infrastructure. Facilities should be supported in the development of streamlined reportable systems and provided the necessary technology to ease the burden of current and future pandemic reporting requirements.

Thank you for taking the time to consider these comments.

Sincerely,

A handwritten signature in black ink that reads "Lynn Van Vactor".

Lynn Van Vactor, CPHQ
Director of Quality and Performance Improvement
Alaska Hospital and Healthcare Association
MAS Candidate, Patient Safety and Healthcare Quality
Johns Hopkins University

CC: U.S. Senator Lisa Murkowski
U.S. Senator Dan Sullivan