

April 18, 2025

**Subject: Comments on FY 2026 IPPS Proposed Rule – Alaska COLA Adjustment
CMS Docket 2025-0028**

To Whom It May Concern,

For over 70 years, the Alaska Hospital & Healthcare Association (AHHA) has served as a non-profit trade association representing Alaska's hospitals, nursing homes, and a growing number of healthcare partners across the continuum of care. AHHA members play an invaluable role, both as community providers and essential employers, in cities, towns, and villages across Alaska.

Thank you for the opportunity to provide feedback on the FY 2026 Inpatient Prospective Payment System (IPPS) proposed rule, particularly regarding the cost-of-living adjustment (COLA) applied to the non-labor portion of Medicare inpatient payments for hospitals in Alaska.

AHHA supports the Centers for Medicare & Medicaid Services' (CMS) decision to temporarily retain the existing COLA methodology while exploring potential updates. However, we strongly encourage CMS to implement a regionally sensitive adjustment that more accurately reflects the vast cost disparities throughout Alaska.

Currently, tying Alaska's COLA exclusively to the Anchorage Consumer Price Index (CPI) does not sufficiently account for the higher operational costs faced by hospitals located in more remote areas and the different economic landscapes throughout our vast state. This singularity exacerbates the pressure on our hospitals and delivering healthcare in Alaska's unique geography.

CMS has the authority to adjust payment methodologies for hospitals in Alaska and Hawaii to better reflect their distinctive circumstances from the Lower 48. Accordingly, we recommend the following adjustments:

1. Replace or supplement the Anchorage CPI with more region specific or composite cost measures;
2. Reassess the 25% cap on COLA adjustments, which limits the necessary flexibility for addressing diverse cost challenges;
3. Engage directly with rural healthcare providers in Alaska to help inform the development of a revised, more representative adjustment methodology.



We sincerely appreciate CMS' attention to this matter and its continued commitment to ensuring equitable access to Medicare services and reimbursement.

Sincerely,

A handwritten signature in black ink, appearing to read 'J. Kosin'.

Jared C. Kosin, JD, MBA
President & CEO