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PAUL D. TONKO
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20TH DISTRICT, NEW YORK

COMMITTEE ON ENERGY AND COMMERCE
RANKING MEMBER, SUBCOMMITTEE ON ENVIRONMENT,
MANUFACTURING, AND CRITICAL MATERIALS
SUBCOMMITTEE ON ENERGY, CLIMATE, AND GRID SECURITY
SUBCOMMITTEE ON OVERSIGHT AND INVESTIGATIONS
COMMITTEE ON SCIENCE, SPACE,
AND TECHNOLOGY

June 9, 2023

The Honorable Chiquita Brooks-LaSure
Administrator
Centers for Medicare & Medicaid Services
7500 Security Boulevard
Baltimore, MD 21244

Dear Administrator Brooks-LaSure,

As the proud Representative of New York's 20th congressional district, I write to urge the Centers for Medicare and Medicaid Services (CMS) in the strongest possible terms to codify the language in the proposed Fiscal Year (FY) 2024 (24) Inpatient Prospective Payment System (IPPS) rule that determines the calculation for New York's rural floor and Medicare Wage Index for the Capital Region of New York. I applaud CMS for taking long overdue action to right this historic wrong and usher in a transformative investment in the Capital Region's local health care systems.

I am grateful that the agency considered the facts and came up with a just and more accurate calculation. As you may know, currently the wage index for FY2023 (23) for Albany-Schenectady-Troy CBSA is 0.8515 and is based on the state of New York's rural floor in FY23. Under the proposed rule, the FY24 Wage Index value for the Albany-Schenectady-Troy CBSA is 1.2183. For decades, the Capital Region has been shortchanged of vital resources due to unfair discrepancies in how the Medicare Wage Index is calculated in various regions and states across the nation. I welcome this step to fix the long-broken Medicare Wage Index system. For too many years, the Medicare Wage Index for the Capital Region has rested around 86 cents on the dollar, while nearby regions in New York, Massachusetts, and Connecticut were provided much higher rates. This was inherently inequitable. The impact this inequity has on our region cannot be understated. In fact, I have heard from many constituents who have shared their views on why this policy decision matters to them.

Based off of statute, relevant court decisions and fairness, I applaud CMS reasoning in the rule for how it treats rural reclassified hospitals in the calculation of the rural floor. Specifically, I agree that CMS should include all relevant data and treat rural reclassified hospitals the same as geographically rural hospitals for purposes of calculating the wage index.


The previous, unfair calculation has been devastating for our region since our healthcare system is a part of the foundation of our community. When our hospitals are starved of needed and deserved resources, our whole region pays the price. This remedy would invest more than \$180 million annually to local hospitals. For our region, this means keeping more high-quality medical

care in our local community. My local hospitals have faced an existential crisis over the lack of fair reimbursements, compounded by the devastating impact of COVID. This proposed rule will begin to right those wrongs.

As you know, I have spent decades demanding fairness in reimbursement for our hospitals. Time and time again I have relentlessly raised this issue with House leadership, CMS and all of my colleagues because this is incredibly impactful for my community. Through legislation, talks with the agency and many conversations, I demanded that we fix this broken reimbursement rate hurting the Capital Region of New York. The House of Representatives heeded this call and passed a fix to the rate as part of the HEROES Act which passed out of the House in 2020, but stalled in the Senate.

I have toured my local hospitals and have visited with healthcare professionals across my communities and the message has been crystal clear: this proposed rule must be finalized, and the calculation codified so that we ensure the longevity of these facilities, support our health care workers, and better enable these institutions to deliver care to our Capital Region communities. This is vital to our hospitals, to our local community, and to our entire region.

Sincerely,

A handwritten signature in black ink that reads "Paul D. Tonko". The signature is written in a cursive style with a large initial "P" and a long horizontal stroke at the end.

Paul D. Tonko

Member of Congress