

Congress of the United States
Washington, DC 20515

October 18, 2019

The Honorable Alex M. Azar II
Secretary
U.S. Department of Health & Human Services
200 Independence Avenue, S.W.
Washington, D.C. 20201

Dear Secretary Azar:

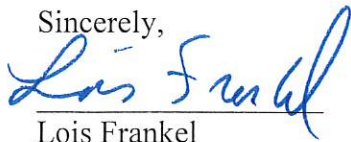
We write to express our concern with a proposal in the Department of Health and Human Services Fiscal Year 2020 Budget to drastically cut Medicare payments to hospitals on behalf of seniors who are unable to meet their cost-sharing obligations.

Under current policy, the Medicare program reimburses hospitals and other care providers 65 percent of the uncollectible deductible and coinsurance amounts for care provided to individual beneficiaries unable to meet their individual cost-sharing obligations. Under this policy, hospitals are still forced to absorb 35 percent of care that goes uncovered. Yet, your budget would slash the rate of reimbursement to 25 percent forcing hospitals to absorb even more of the cost of care. "Bad debt" payments are critically important reimbursements that ensure Medicare beneficiaries can access essential health care services, even if they cannot afford to pay.

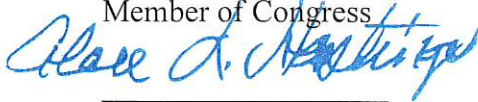
Slashing the reimbursement rate in this way will put hospitals in an untenable position. It asks them to provide care yet denies them reasonable compensation. Unfortunately, many seniors in South Florida continue to financially struggle while the hospitals serving this low-income population already operate on very narrow margins. Cutting these payments will threaten the stability of the providers caring for the most vulnerable members of our communities and potentially reduce care options for struggling Medicare beneficiaries.

While we look forward to working with you to address the drivers of rising health care costs and the sustainability of the Medicare program, this misguided proposal is not a viable solution for the challenges currently facing the program.

Sincerely,



Lois Frankel
Member of Congress



Alcee Hastings
Member of Congress



Ted Deutch
Member of Congress



Frederica Wilson
Member of Congress



Debbie Wasserman Schultz
Member of Congress



Donna Shalala
Member of Congress



Debbie Mucarsel-Powell
Member of Congress