

Congress of the United States
Washington, DC 20515

March 28, 2016

Andy Slavitt, Acting Administrator
Centers for Medicare & Medicaid Services
Department of Health and Human Services
Hubert H. Humphrey Building, Room 445-G
200 Independence Avenue, SW
Washington, DC 20201

Dear Mr. Slavitt:

We are writing to strongly urge the Centers for Medicare and Medicaid Services (CMS) to make the Medicare imputed floor wage index provision permanent in the Fiscal Year 2017 inpatient prospective payment system (IPPS) rule.

We appreciate that CMS has maintained the imputed rural floor policy since 2005, and that the agency has consistently recognized the need to provide a fair and equitable payment to New Jersey hospitals. As you know, the imputed rural floor serves as a valuable method of maintaining equitable wage index protections for all-urban states that are provided to states with rural areas. As a further recognition of the need to maintain this equitable payment policy, CMS itself has previously stated its intention to continue the imputed floor policy until Congress implements a comprehensive reform of the Medicare hospital wage index system.

More than a decade ago, when CMS originally established the imputed rural floor policy, it recognized the unique situation facing our state's hospitals: that they neighbor two of the most competitive labor markets in the country with Philadelphia to the south and New York City to the north; that New Jersey has the highest population density in the nation, further adding to the competitive nature of the labor market and straining the health care system to ensure access; and the need to provide equity in reimbursement to hospitals in all-urban states.

The imputed rural floor policy remains a simple yet vital step in maintaining our state's hospitals ability to achieve the shared goals of providing high-quality health care that is accessible to those who need it most. We appreciate your consideration of this request as CMS considers updates to the IPPS for Fiscal Year 2017.

Sincerely,


ROBERT MENENDEZ
United States Senator


CORY A. BOOKER
United States Senator


BILL PASCRELL, JR.
Member of Congress


FRANK PALLONE, JR.
Member of Congress


SCOTT GARRETT
Member of Congress


CHRIS SMITH
Member of Congress


DONALD NORCROSS
Member of Congress


DONALD M. PAYNE, JR.
Member of Congress


ALBIO SIRES
Member of Congress


RODNEY P.
FRELINGHUYSEN
Member of Congress

Leonard Lance

LEONARD LANCE
Member of Congress

Bonnie Watson Coleman

BONNIE WATSON
COLEMAN
Member of Congress

Thomas MacArthur

THOMAS MACARTHUR
Member of Congress

Frank A. LoBiondo

FRANK LOBIONDO
Member of Congress