

February 1, 2021

The Honorable Brad Schneider
U.S. House of Representatives
300 Cannon House Office Building
Washington, DC 20515

Dear Representative Schneider:

On behalf of our nearly 5,000 member hospitals, health systems and other health care organizations, our clinician partners, including more than 270,000 affiliated physicians, 2 million nurses and other caregivers – and the 43,000 health care leaders who belong to our professional membership groups, the American Hospital Association (AHA) is pleased to support H.R. 315, the Medicare Sequester COVID Moratorium Act.

We are grateful that Congress has provided a much-needed reprieve from Medicare sequestration. This relief helped to improve what was, and continues to be, the relatively dire financial outlook for many hospitals and health systems. In some cases, this 2% cut will effectively negate the Medicare inflation adjustment health care providers depend on and would otherwise receive in 2021. The cost of providing care to patients continues to increase and without future sequestration relief, America's health care safety net could be at further risk of collapse. We applaud your legislation for taking the much-needed step of eliminating Medicare sequester cuts through the duration of the public health emergency (PHE).

Hospitals and health systems were projected to lose more than \$320 billion in 2020 alone due to COVID-19. They have faced enormous costs to maintain proper personal protective equipment, ensure adequate supplies and equipment, safeguard sufficient staffing, purchase new drugs and therapies, and retrofit their physical plants to care for patients with the virus. These expenditures come as months of essential hospital revenue has eroded due to the combination of reduced demand for emergent and non-emergent care, as well as growing uncompensated care costs attributable to the newly uninsured. Eliminating the Medicare sequester cuts during the PHE will provide critical financial assistance to hospitals and health systems on the front lines of the pandemic.

Again, we are pleased to support this legislation and look forward to working with you to achieve its passage.

Sincerely,

/s/

Thomas P. Nickels
Executive Vice President

