

AMERICA'S HOSPITALS AND HEALTH SYSTEMS

February 8, 2022

The Honorable Charles E. Schumer
Majority Leader
U.S. Senate
Washington, DC 20510

The Honorable Nancy Pelosi
Speaker
U.S. House of Representatives
Washington, DC 20515

The Honorable Mitch McConnell
Republican Leader
U.S. Senate
Washington, DC 20510

The Honorable Kevin McCarthy
Republican Leader
U.S. House of Representatives
Washington, DC 20515

Dear Leader Schumer, Speaker Pelosi, Leader McConnell and Leader McCarthy:

As representatives of our nation's hospitals and health systems, we are writing to ask you for additional resources for our members as we are continuing to experience financial and operational challenges related to the impacts of treating new variants of the COVID-19 virus. We are very appreciative of the aid that has been given to date and how it has sustained front-line providers and allowed hospitals to continue providing high quality care for their patients and communities during a critical time in the nation's history.

We are entering the third year of the pandemic, and our nation's hospital and health system workers have cared for over 4 million inpatient admissions of patients with COVID-19. At the same time, patient acuity has risen based on an increase in how long patients are staying in the hospital compared to earlier in the pandemic. The financial pressures hospitals and health systems faced at the beginning of the public health emergency continue, with, for example, ongoing delays in non-emergent procedures, in addition to increased expenses for supplies, medicine, testing and protective equipment.

Hospitals also are facing a shortage of workers needed to meet the increased demand for care, and hospital employment has continued to decline compared to pre-pandemic levels. According to data from the Bureau of Labor Statistics, hospital employment is down 95,600 employees from February 2020. This includes a shortage of nurses, who are essential members of the patient care team. To help mitigate these staffing challenges and maintain appropriate levels of care for patients, nearly every hospital in the country has been forced to hire temporary contract staff at some point during the pandemic, including contract nurses. Unfortunately, some travel nurse staffing agencies seem to be exploiting these shortages by inflating prices beyond reasonably competitive levels – two or three or more times pre-pandemic rates – and reportedly retaining high profit margins for themselves. According to Proluent Health, there has been a 67% increase in the advertised pay rate for travel nurses from January 2020 to January 2022, and hospitals are billed an additional 28%-32% over those pay rates by staffing firms. These increased rates are unsustainable and have contributed to the dramatic increase in hospitals' labor costs since the beginning of the pandemic.

We are grateful that Congress in December extended the moratorium on Medicare sequester cuts, with the reductions fully suspended until April 1, and the cuts reduced from 2% to 1% through June 30. We ask for additional relief from these cuts in 2022.

We also ask Congress to act now to ensure hospitals and health systems have the additional resources they need to continue to care for our communities and patients, including supplies and equipment, as well as to offset staffing costs.

Thank you for your consideration of these important requests. We look forward to continuing to work with you.

Sincerely,

America's Essential Hospitals
American Hospital Association
Association of American Medical Colleges
Catholic Health Association of the United States
Federation of American Hospitals
National Association for Behavioral Healthcare
Premier healthcare alliance
Vizient, Inc.