

**Congress of the United States**  
**Washington, DC 20515**

April 16, 2020

The Honorable Nancy Pelosi  
Speaker  
U.S. House of Representatives  
H-232, The Capitol  
Washington, DC 20515

The Honorable Kevin McCarthy  
Minority Leader  
U.S. House of Representatives  
H-204, The Capitol  
Washington, DC 20515

Dear Speaker Pelosi and Leader McCarthy:

We were disappointed that the Coronavirus Aid, Relief, and Economic Security (CARES) Act did not include wage index relief for the hospitals in our states during the ongoing COVID-19 pandemic. As a result, our hospitals are responding to this national emergency without benefiting from payment parity. We respectfully request that any future COVID-19 package rectify the failures of the Medicare Wage Index (MWI) policy in our three states.

As you are aware, New Jersey, Rhode Island, and Delaware do not benefit from a rural floor in the Medicare Wage Index policy. MWI updates a hospital's Medicare payment to reflect the cost of labor in their area. Congress established the rural floor adjustment to ensure that hospitals in "urban" areas would not have a wage index value lower than that of a hospital in the "rural" areas of that state. The methodology used by the Centers for Medicare and Medicaid Services (CMS) to establish rural areas results in three states being deemed all-urban. As a result, our states do not benefit from the rural floor policy and this depresses the MWI calculations for our hospitals. From 2005 to 2018, CMS imputed a rural floor for the "all-urban" states. Because of CMS's decision to cease imputing the rural floor in 2018, our states' hospitals are at a significant disadvantage in fighting the COVID-19 pandemic.

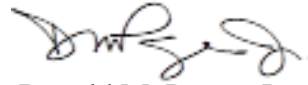
This depression in MWI calculations is only exacerbated by the current COVID-19 response as the CARES ACT's enhanced DRG payments are lower for our three states. This means hospitals responsible for ensuring the health of over 11 million Americans in our three states began this year in a depressed financial position while competing against the more expensive labor markets of neighboring states.

We request that any future legislation responding to COVID-19 address this issue, and we stand ready to work with your offices on a solution that will ensure hospitals in New Jersey, Rhode Island, and Delaware achieve parity with the forty-seven other states in Medicare.

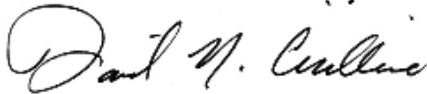
Sincerely,



Bill Pascrell, Jr.  
Member of Congress



Donald M. Payne, Jr.  
Member of Congress



David N. Cicilline  
Member of Congress



Christopher H. Smith  
Member of Congress



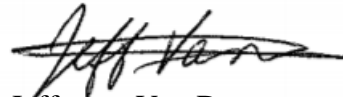
Andy Kim  
Member of Congress



Bonnie Watson Coleman  
Member of Congress



Lisa Blunt Rochester  
Member of Congress



Jefferson Van Drew  
Member of Congress



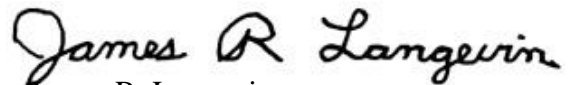
Josh Gottheimer  
Member of Congress



Tom Malinowski  
Member of Congress



Donald Norcross  
Member of Congress



James R. Langevin  
Member of Congress



Albio Sires  
Member of Congress



Frank Pallone, Jr.  
Member of Congress



Mikie Sherrill  
Member of Congress