

# Congress of the United States

Washington, DC 20515

April 23, 2008

The Honorable Charles Rangel  
Chairman  
House Committee on Ways & Means  
1102 Longworth House Office Building  
Washington, DC 20515

The Honorable Jim McCrery  
Ranking Member  
House Committee on Ways & Means  
1139E Longworth House Office Building  
Washington, DC 20515

The Honorable John D. Dingell  
Chairman  
House Committee on Energy & Commerce  
2125 Rayburn House Office Building  
Washington, DC 20515

The Honorable Joe Barton  
Ranking Member  
House Committee on Energy & Commerce  
2322A Rayburn House Office Building  
Washington, DC 20515

RE: Section 508 Reclassifications Expire September 30, 2008, Request for Renewal

Dear Chairmen and Ranking Members:

We are extremely thankful that you have worked with us to protect our hospitals through wage index reclassifications in the *Medicare Modernization Act of 2003 (MMA)*; the *Tax Relief and Health Care Act of 2006 (TRHCA)*; and the *Medicare, Medicaid, and SCHIP Extension Act of 2007 (MMSEA)*. The original legislation and subsequent extensions have buttressed our vulnerable hospitals and benefited the communities they serve.

As you know, the relief most recently provided by Congress will expire on September 30, 2008. We are very appreciative of the leadership you provided in the Children's Health and Medicare Protection (CHAMP) Act to provide a multiple-year extension of this important policy. We urge you to maintain this commitment and extend all wage index reclassifications enabled by Section 508 of the MMA together with legislation that prevents physician payment reductions. It is important that Congress act to extend Section 508 reclassifications at the same time to prevent a disruption in their reclassifications. Without your help, our hospitals again stand to lose millions of dollars in Medicare funding has enabled them to support a robust workforce to care for Medicare beneficiaries and other patients in their communities.

We also wish to let you know that a discrepancy exists in the law that creates serious problems for a group of hospitals, denying them wage index reclassification relief that we intended to provide. This is not the first time that such a discrepancy was created. The Centers for Medicare and Medicaid Services (CMS) interpreted *TRHCA* contrary to the intent of the statute and in a manner that deprived our hospitals of millions of dollars authorized for them by the *TRHCA*. In April 2007, more than 20 Members of Congress wrote to CMS asking them to revise their interpretation and correct the problem. CMS did not.

In December 2007, you heard our pleas and championed a change that required CMS to provide retroactive relief to the affected hospitals. However, *MMSEA* then created anew the same discrepancy for FY 2008. Consequently, 36 hospitals in Michigan, Connecticut, Texas, and New York, which originally benefited from Section 508, did not benefit from the *MMSEA* extension, and are deprived of approximately \$52 million in Medicare reimbursements for FY 2008. We must ensure that all hospitals that originally qualified for reclassifications under Section 508 continue to benefit from legislation that extends the reclassifications.

We ask for your leadership in working with us and again provide a multiple-year extension of Section 508 wage index reclassifications, as well as retroactive relief to ensure that all hospitals realize the benefit of the *MMSEA* extension during FY 2008. Thank you for your efforts and your consideration.

Sincerely,

Ed Pomroy Pete Hoekstra Paul Kanjish

Rush Holt Christy P. Cox Kristen Hillibrand

Rick Boucher Vernon E. Ehlers Ole E. Kildee

Rosa L. DeLauro Quynh C. Kilpatrick Chris Smith

Joe Krout Tom Latham Maureen Dinley

Gary L. Ackerman Walter King Jenny Reberg

Zil Wallez Stephanie Harts John W. Oliver

Candice S. Miller Michelle Ferguson Cheryl Jones

Kimmy John Hall Sandra Lee

Scott Garrett Bruce L. Gurley Peter Welch

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## Section 508 Letter Signers

1. Rep. Earl Pomeroy
2. Rep. Peter Hoekstra
3. Rep. Paul E. Kanjorski
4. Rep. Hush Holt
5. Rep. Chris Carney
6. Rep. Kristin Gillibrand
7. Rep. Rick Boucher
8. Rep. Vernon J. Ehlers
9. Rep. Dale E. Kildee
10. Rep. Rosa L. DeLauro
11. Rep. Carolyn Cheeks Kilpatrick
12. Rep. Tom Latham
13. Rep. Chris Smith
14. Rep. Joe Knollenberg
15. Rep. Maurice Hinchey
16. Rep. Gary L. Ackerman
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18. Rep. Denny Rehberg
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21. Rep. John W. Olver
22. Rep. Candice S. Miller
23. Rep. Mike Ferguson
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25. Rep. Chris Murphy
26. Rep. John Hall
27. Rep. Sander Levin
28. Rep. Scott Garrett
29. Rep. Bruce L. Braley
30. Rep. Peter Welch
31. Rep. Bart Stupak