

April 15, 2025

The Honorable Kevin Hern  
U.S. House of Representatives  
171 Cannon House Office Building  
Washington, DC 20515

The Honorable Brendan Boyle  
U.S. House of Representatives  
1502 Longworth House Office Building  
Washington, DC 20515

Dear Representatives Hern and Boyle:

On behalf of our nearly 5,000 member hospitals and health systems and other health care organizations, our clinician partners — including more than 270,000 affiliated physicians, 2 million nurses and other caregivers — and our 2,425 post-acute care members, the American Hospital Association (AHA) is pleased to support the Securing Access to Care for Seniors in Critical Condition Act (H.R. 1924).

Long-term care hospitals (LTCHs) play a unique role for Medicare and other beneficiaries by caring for the most severely ill and medically complex patients, who often require extended hospitalization and highly specialized care. LTCHs are critical partners for acute-care hospitals, alleviating capacity for overburdened intensive care units and other parts of the care continuum that would otherwise be further strained without access to LTCHs for these patients.

Since implementing the dual-rate payment system in 2016, the volume of LTCH standard-rate cases has fallen by approximately 70% from its peak under the prior system, and the number of LTCH providers has decreased by 20%. At the same time, the average acuity of LTCH patients has risen by 20% or more in that same period, and these patients are increasingly consolidated into a limited number of Diagnosis-Related Groups (DRGs).<sup>1</sup> The smaller yet sicker patient population and dwindling reimbursement have created many challenges for LTCHs, as evidenced by the closure

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<sup>1</sup> <https://www.aha.org/white-papers/2023-12-29-white-paper-medicares-ltch-outlier-policy-needs-reforms-protect-extremely-ill-beneficiaries>



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of so many of these facilities. The remaining patient pool is notably more acute and costly to treat, resulting in cases increasingly qualifying for high-cost outlier (HCO) payments to compensate for the lack of precision in the DRGs, as so many cases are consolidated into a limited number of DRGs. However, the fixed-loss amount for HCO cases has risen by more than 300% since 2016, forcing LTCHs to take on significant financial losses when caring for these particularly ill patients.

For these reasons, the AHA supports legislation that would provide more adequate reimbursement to LTCH providers caring for some of Medicare's sickest beneficiaries. Thank you for your leadership on these important issues to ensure patients have continued access to this vital care.

Sincerely,

/s/

Lisa Kidder Hrobsky  
Senior Vice President  
Advocacy and Political Affairs