

United States Senate

WASHINGTON, DC 20510

January 8, 2010

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

The Honorable Harry Reid
Majority Leader
U.S. Senate
S-221 U.S. Capitol
Washington, DC 20510

Dear Madam Speaker and Majority Leader Reid:

Funding for the Medicare Section 508 has provided much needed assistance to hospitals disadvantaged by the Medicare wage index reimbursement system. We are appreciative of provisions in the House of Representatives and Senate passed health insurance reform bills to extend this program as we work toward a permanent solution to this problem.

H.R. 3962, passed by the House of Representatives, provides for a two-year extension of Section 508, through September 30, 2011. Unfortunately, H.R. 3590 passed by the Senate, only provides for a one-year extension of Section 508, through September 30, 2010. We respectfully request that in the health care reform conference report you include the two year extension of Section 508 wage index reclassifications.

In an effort to obtain a permanent solution to this issue we also encourage you to retain Section 3137, of H.R. 3590, to improve the hospital wage index system. This provision calls for a Centers for Medicare and Medicaid Services report to Congress by the end of 2011 on a plan to reform the system. This report will be required to take into account wage data that will provide the best information to calculate Medicare wage reimbursement.

Thank you for your attention to this important matter.

Sincerely,


Arlen Specter


Robert P. Casey, Jr.