

May 21, 2025

The Honorable Mehmet Oz
Administrator
Centers for Medicare & Medicaid Services
U.S. Department of Health and Human Services
7500 Security Boulevard
Baltimore, MD 21244

Re: Agency Information Collection Activities: Proposed Collection; Comment Request (CMS-2552-10)

Dear Administrator Oz:

Vizient, Inc. appreciates the opportunity to provide feedback to the Centers for Medicare & Medicaid Services (CMS) regarding the Collection Request related to changing the Hospital and Health Care Complex Cost Report (hereinafter, "Notice"). Vizient appreciates that CMS, in the Fiscal Year (FY) 2025 Inpatient Prospective Payment System (IPPS) Final Rule, offered an incentive to providers to help address drug shortages and that CMS acknowledged stakeholder comments which noted that Group Purchasing Organizations (GPOs) may help providers establish and maintain a buffer inventory. To support implementation, Vizient shares recommendations regarding the agency's addition of Worksheet E-90, Payment Adjustment For Establishing and Maintaining Access to a Buffer Stock of Essential Medicines and related instructions to complete the Worksheet E-90.

Background

[Vizient, Inc.](https://www.vizientinc.com) provides solutions and services that improve the delivery of high-value care by aligning cost, quality and market performance for more than 65% of the nation's acute care providers, including 97% of the nation's academic medical centers, and more than 35% of the non-acute market. Vizient provides expertise, analytics, consulting services and a contract portfolio that represents \$140 billion in annual customer purchasing volume to improve patient outcomes and lower costs. With its acquisition of Kaufman Hall in 2024, Vizient expanded its advisory services to help providers achieve financial, strategic, clinical and operational excellence. Headquartered in Irving, Texas, Vizient has offices throughout the United States. Learn more at www.vizientinc.com.

Recommendations

Again, Vizient thanks CMS for the agency's approach to preventing drug shortages by offering small and independent hospitals incentives to establish and maintain buffer stocks of essential medicines. Also, CMS made clear that a separate payment under IPPS would be available to

eligible hospitals that have contractual arrangements with intermediaries,¹ which Vizient understands to include GPOs, as noted in our [prior communications and comments](#) to CMS. As such, Vizient offers recommendations to CMS to ensure that the instructions for Worksheet E-90 are clear and do not unintentionally limit which contractual arrangements can be considered for buffer stock payment adjustments. As outlined below, Vizient suggests that CMS modify the instructions for Worksheet E-90: Part I, Line 2 to read as follows:

“Enter the reasonable, additional costs necessary for efficiently establishing and maintaining no less than a 6-month buffer stocks of essential medicine(s) that were paid to outside suppliers or entities, including group purchasing organizations, in accordance with 42 CFR 412.113(g).”

Instructions for Worksheet E-90 Form: Part I – Line 2

When completing worksheet E-90 of the Hospital and Health Care Complex Cost Report, as provided in the Notice, providers would follow the Provider Reimbursement Manual.² In the most recent iteration of the Provider Reimbursement Manual, CMS indicates that to determine the additional resource cost of essential medicines, “the contractual amount paid to outside suppliers to establish and maintain no less than a 6-month buffer stock of one or more essential medicines according to 42 CFR 412.113(g)” is to be included. However, Vizient is concerned that this language may add unnecessary confusion since terms like “contractual amount paid” and “outside suppliers” may not align with the regulatory text, current practices by providers, and insights CMS shared in the FY 2025 IPPS Final Rule.

For example, there may not be a specified dollar figure in a contract solely for the costs to establish and maintain buffer stock so “contractual amount paid” may lead to confusion and/or be challenging for a hospital to report. Also, 42 CFR 412.113(g)(2)³ uses language like “additional resource costs” rather than contractual amount paid. To avoid confusion, improve flexibility and better align with regulation, Vizient suggests CMS modify Part I, Line 2 instructions such that an eligible hospital would enter the “reasonable, additional costs” rather than the “contractual amount paid”.

In addition, the use of “outside suppliers” in Line 2 could be interpreted to limit which costs can be reported. As noted above, GPOs and other entities in the supply chain often play a critical role in helping hospitals establish and maintain buffer stocks. Since the term “outside supplier” is not defined on the form, “another entity” is not defined in the regulations related to buffer stocks⁴, and there are variable interpretations to the term “supplier”, Vizient suggests CMS broaden the language to make clear that additional costs paid to GPOs would be eligible for the

¹ See FY 2025 IPPS Final Rule, “After consideration of the public comments we received, we are finalizing our policy as proposed. In summary, for cost reporting periods beginning on or after October 1, 2024, we are establishing a separate payment under the IPPS to small, independent hospitals for the additional resource costs involved in voluntarily establishing and maintaining access to 6-month buffer stocks of essential medicines, either directly or through contractual arrangements with a manufacturer, distributor, or intermediary.” <https://www.federalregister.gov/d/2024-17021/p-3009>

² <https://www.cms.gov/files/document/r23p240i.pdf>

³ 42 CFR 412.113(g)(2) The additional resource costs of establishing and maintaining access to a buffer stock of essential medicines for a hospital are the additional resource costs incurred by the hospital to directly hold a buffer stock of essential medicines for its patients or arrange contractually for such a buffer stock to be held by another entity for use by the hospital for its patients. The additional resource costs of establishing and maintaining access to a buffer stock of essential medicines does not include the resource costs of the essential medicines themselves.

⁴ See 42 CFR 412.113

payment adjustment.

Based on these recommendations, Vizient suggests that CMS modify the instructions for Worksheet E-90: Part I, Line 2 to read as follows:

“Enter the reasonable, additional costs necessary for efficiently establishing and maintaining no less than a 6-month buffer stocks of essential medicine(s) that were paid to outside suppliers or entities, including group purchasing organizations, in accordance with 42 CFR 412.113(g).”

Vizient thanks CMS for the opportunity to share feedback in response to the Notice. Vizient’s clients include a wide variety of hospitals ranging from independent, community-based hospitals to large, integrated health care systems that serve acute and non-acute care needs. Additionally, many are specialized including academic medical centers and pediatric facilities. Individually, our clients are integral partners in their local communities, and many are ranked among the nation’s top health care providers. In closing, on behalf of Vizient, I would like to thank the CMS for providing the opportunity to comment. Please feel free to contact me or Jenna Stern at jenna.stern@vizientinc.com, if you have any questions or if Vizient may provide any assistance as you consider these issues.

Sincerely,

A handwritten signature in black ink, appearing to read "Shoshana Krilow". The signature is fluid and cursive, with the first name being more prominent.

Shoshana Krilow

Senior Vice President, Public Policy & Government Relations