

Congress of the United States
Washington, DC 20510

February 2, 2026

The Honorable Dr. Mehmet Oz
CMS Administrator
Centers for Medicare & Medicaid Services
200 Independence Ave, SW
Washington, DC 20201

Dear Administrator Oz,

We write today to request the swift resolution of a long-standing issue that has left St. Charles Health System (SCHS) in administrative limbo for nearly four years. Over that time, the health system and CMS, along with the Oregon Health Authority (OHA), have had numerous conversations to address the matter, and yet, the problem remains unresolved.

In 2022, SCHS merged two hospital campuses in Central Oregon, St. Charles Bend and St. Charles Redmond, under one Medicare Provider Number, to address significant financial stress caused by the COVID-19 pandemic. With this change, the combined St. Charles Bend hospital and Redmond hospital campus were granted Sole Community Hospital status, which provides higher Medicare reimbursement rates to certain hospitals that are the only short-term acute care provider in their community. The validity of this status change was not, nor ever has been, in question.

Although the merger was recognized as effective on February 15, 2022, CMS initially denied SCHS' Sole Community Hospital application for missing documentation – a step that CMS and OHA typically complete *after* merger filings are processed. When SCHS submitted a second application on May 11, 2022, CMS approved SCH status retroactively, but only to that date, rather than the correct date of February 15, 2022. While that four-month period may seem insignificant, it left SCHS with a financial loss exceeding \$6 million.

While the FY 2024 hospital inpatient prospective payment system (IPPS) rule, finalized on August 28, 2023, corrected this issue for future mergers; it unfortunately did not apply retroactively for cases such as SCHS'. Meanwhile, efforts to address the problem through the Provider Reimbursement Review Board have been ongoing for years now, with no conclusion in sight. Meanwhile, the financial impact on SCHS and the rural communities it serves continue.

This issue goes far beyond accounting or paperwork errors. Rural hospitals are vital to the health and well-being of the communities they serve, providing care that can be difficult – or even impossible – to access anywhere else. As President Trump recently emphasized, we must prioritize “ensuring that rural Americans get world-class health care in their own community” and yet, this problem persists. Rural residents deserve access to local health care through financially stable hospitals, not delays in care caused by unnecessarily complicated bureaucratic processes that threaten the services they depend on.

Accordingly, CMS must take immediate action to correct this retroactive SCH designation and provide the reimbursement SCHS is rightfully owed. At the very least, St. Charles deserves an update from the Provider Reimbursement Review Board with a clear timeline for when the issue

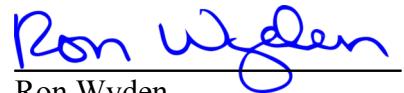
will be resolved. Continued delay not only imposes a severe financial burden on the health system but also threatens access to essential care for the rural Oregonians who rely on these hospitals. CMS has the responsibility to solve this problem now. Not tomorrow. Not next month. Now.

A technicality should never come between a community and the health care it needs or saddle a health care provider with a \$6 million loss. Nearly four years of delay is not just bureaucratic inefficiency – it's a threat to the health and survival of the people these hospitals serve. CMS must act now to correct this bureaucratic blunder and ensure rural Oregonians can access the care they deserve and depend on – period.

Sincerely,



Janelle S. Bynum
Member of Congress



Ron Wyden
United States Senator
Ranking Member, Committee
on Finance