

Congress of the United States
Washington, DC 20510

November 28, 2011

The Honorable Kathleen Sebelius
United States Secretary of Health and Human Services
200 Independence Avenue, SW
Washington, DC 20201

Dear Secretary Sebelius:

We write to alert you to an urgent situation concerning a hospital in Iowa. Keokuk Regional Hospital has served the citizens of Lee County, Iowa for more than 100 years. The hospital is fully accredited and was one of the Joint Commission's "Top Performers on Key Quality Measures" for 2010.

A safety net hospital, Keokuk serves a particularly needy population: more than 23% of families in the area it serves live below the poverty level, and the county has the second highest rate of unemployment in the state. The hospital's payor mix poses significant financial challenges: 75% of all patient care is paid for by either Medicare or Medicaid, or is uncompensated. As a result, in recent years, Keokuk has operated at a loss for the majority of its patients. In fiscal year 2010, the hospital provided \$6 million in uncompensated care and posted a loss of \$1 million.

In response, Keokuk has taken significant steps to cut costs and increase efficiency, reducing staffing levels, benefits, salaries and services. It has also explored affiliating with a larger hospital system. However, even after taking these steps, the hospital is in urgent need of assistance.

Since early this year, our offices have been working with the hospital and members of your staff to address these concerns. We write to enlist your help in assisting this important safety net hospital. Over the years, through both statute and regulation, HHS has assisted rural, safety net hospitals like Keokuk in multiple ways. We ask that you review the Department's legal authorities and respond to this letter with a description of options in the Medicare program and other federal programs under your purview that would be of assistance to the hospital.

We thank you for your attention to this urgent matter.

Sincerely,



Tom Harkin
United States Senator



Charles Grassley
United States Senator

Dave Loebsack
Member of Congress