

Dear Administrator Verma:

We are writing to express our serious concern regarding the Centers for Medicare & Medicaid Services' (CMS) recently proposed rule entitled, Medicaid Program; Medicaid Fiscal Accountability Regulation, 84 Fed. Reg. 63722 (Nov. 18, 2019). This proposed rule would have disastrous consequences for the Medicaid program and the millions of individuals it serves, and we request that CMS withdraw the proposed rule.

Medicaid provides comprehensive, affordable coverage for over 71 million Americans, including children, individuals living with disabilities, pregnant women, seniors, and low-income parents and adults. Ensuring the fiscal integrity of the program is vital to assuring the program can efficiently and effectively serve the millions of Americans who depend on it. Yet, this Administration continues to take actions to undermine this essential program. In addition to attempts to block grant and cap Medicaid, rescind important access protections, and promote policies that make it harder for individuals to get the health care they need, this proposed rule is yet another step in the

Administration's ongoing agenda to dismantle the financing structure of Medicaid and cut benefits, coverage, and access.

Numerous stakeholders including: the bipartisan National Governors Association; the independent Medicaid and CHIP Payment and Access Commission (MACPAC); states; providers including safety net hospitals, nursing homes, and academic medical institutions; managed care plans; children's groups including the American Academy of Pediatrics and March of Dimes; disability advocates; groups representing millions of patients such as those with cancer and rare diseases; and the bipartisan National Association of Medicaid Directors have all expressed significant concern with the proposed rule.

According to the National Governors Association, the proposed rule would "significantly curtail the longstanding flexibility states have to fund and pay for services in their Medicaid programs" having "significant and broad impacts" that will "result in decreased access to care for many vulnerable Americans." Organizations such as the American Hospital Association representing hospitals and providers across the

country and the American Health Care Association representing nursing facilities nationwide have stated that under the rule, “[e]ntire communities could lose access to care . . . especially in rural areas where 15 percent of hospital revenue and nearly two-thirds of nursing facility revenue nationwide depend on Medicaid funding.” Groups representing patients with chronic health conditions and individuals with disabilities have said that CMS's proposed rule “will severely undermine the ability of Medicaid as a health insurer to effectively address the needs of patients,” and “make substantive changes to long-standing Medicaid policy that would jeopardize access to care for Medicaid beneficiaries with disabilities and chronic conditions.” Even the independent MACPAC, which provides policy and data analysis to Congress on a non-partisan basis, publicly expressed concern that the proposed rule “could reduce payments to providers in ways that could jeopardize access to care for Medicaid enrollees.” The Commission went further saying that “CMS should collect and rigorously examine data on the potential effects of such changes on beneficiary access,” an analysis “especially important given CMS’ previous proposal

to rescind the requirement that states evaluate access before reducing or restricting provider payments.”

Such responses are representative of feedback from thousands of stakeholders who have weighed in warning of the calamitous impact CMS’s proposed Medicaid Fiscal Accountability Regulation would have on the Medicaid program, states, providers, and the millions of Americans Medicaid serves. To make matters worse, in issuing its proposed rule, the Administration failed to conduct a full fiscal impact analysis stating that the “fiscal impact on the Medicaid program from the implementation of the policies in the proposed is unknown.” This is one of the many reasons that independent organizations like MACPAC urged CMS “not to implement new limits for supplemental payments and financing arrangements at this time.” Such blatant administrative malpractice is completely unacceptable and one more item on a long list of reasons why the proposed rule must not move forward.

It is for these reasons that we request CMS withdraw the proposed Medicaid Fiscal Accountability Regulation and instead

work with Congress to identify areas where additional transparency may improve efficiency, economy, and quality of care under the program to ensure the millions of American's who rely on Medicaid for comprehensive coverage and care have access to the care and services to which they are entitled.