## STATE MEDICAL ASSOCIATIONS NATIONAL MEDICAL SPECIALTY SOCIETIES

February 1, 2020

Seema Verma Administrator Centers for Medicare & Medicaid Services Department of Health and Human Services Attention: CMS-2393-P, Mail Stop C4-26-05 7500 Security Boulevard Baltimore, MD 21244-1850

Re: Medicaid Fiscal Accountability Regulation, CMS-2393-P

Dear Administrator Verma:

The undersigned state medical associations and national medical specialty societies represent hundreds of thousands of physicians who treat our nation's Medicaid patients every day. Our organizations are writing to comment on the Medicaid Fiscal Accountability regulation recently issued by the Centers for Medicare and Medicaid Services (CMS). Overall, we are committed to working with the Administration to improve fiscal accountability and transparency in the Medicaid program.

However, our organizations are concerned that the proposed rule would significantly reduce the federal commitment to the Medicaid program, physicians, and our patients without appropriate data and a thorough impact analysis. We respectfully ask that the agency collect data on the current state funding mechanisms and how the dollars are actually spent in each state, to make more informed policy decisions before CMS overhauls the Medicaid financing structure.

We strongly urge CMS to withdraw the proposed rule and work with states, physicians, and patients on alternatives that will ensure not only efficient use of taxpayer dollars, but also protect patient access to Medicaid services.

The proposal represents a substantial shift in the state-federal Medicaid partnership and a reversal of more than two decades of policy that allowed states different options for financing our share of medical care in order to receive federal Medicaid matching dollars. For years, all 50 states have used hospital fees, Medicaid managed care plan taxes, intergovernmental transfers, state special funds or other local sources of funding to receive a federal match. The proposed rule would restrict every state's ability to use such funding for the non-federal share of Medicaid financing. Moreover, there are no clear standards by which future state Medicaid financing will be considered, and the rule does not allow adequate time for states to plan for these substantial changes.

As physicians, we are extremely concerned that the proposed rule would result in significant Medicaid funding cuts to our most vulnerable patients – children, pregnant women, the elderly and disabled. Medicaid provides coverage to

- 21% of Americans
- Nearly 50% of our nation's children
- More than 1/3 of our nation's disabled
- More than 10 million seniors

For some states, the cuts could represent up to 50% of their Medicaid budgets. Such drastic cuts would harm physicians' ability to continue to participate in the program, exacerbate existing Medicaid physician shortages, and thus, undermine access to care for these fragile Medicaid patients. The proposal would disproportionately harm rural and underserved communities who shoulder an even heavier Medicaid burden.

**Finally, we are concerned about the negative impact of the proposed rule on state budgets and states' capacity to address funding gaps.** This rule would create significant funding gaps in state budgets and leave states without adequate resources or time to prepare for the future. States could be forced to close budget gaps with either untenable cuts to providers and medical services or burdensome increases in state and local taxes. Underfunding the Medicaid program shifts the uncompensated care burden to states and safety net providers on the front lines caring for these patients. The proposed cuts are unsustainable for states, safety net physicians, and our Medicaid patients- most of whom are children.

If enacted, the proposed rule would negatively impact patients, physicians, and state budgets in all 50 states. We respectfully urge CMS to protect health care services for children, the elderly and disabled by withdrawing the rule and working with us to improve fiscal accountability in other ways with more informed data.

Sincerely,

Medical Association of the State of Alabama Alaska State Medical Association Arizona Medical Association Arkansas Medical Society California Medical Association Colorado Medical Society **Connecticut State Medical Society** Medical Society of Delaware Medical Society of the District of Columbia Florida Medical Association Medical Association of Georgia Hawaii Medical Association Idaho Medical Association Illinois State Medical Society Indiana State Medical Association Iowa Medical Society Kansas Medical Society Kentucky Medical Association Louisiana State Medical Society

Maine Medical Association Maryland State Medical Society Massachusetts Medical Society Michigan State Medical Society Minnesota Medical Association Mississippi State Medical Association Missouri State Medical Association Montana Medical Association Nebraska Medical Association Nevada State Medical Association New Hampshire Medical Society Medical Society of New Jersey New Mexico Medical Society Medical Society State of New York North Carolina Medical Society North Dakota Medical Association **Ohio State Medical Association Oklahoma State Medical Association Oregon Medical Association** Pennsylvania Medical Society **Rhode Island Medical Society** South Carolina Medical Association South Dakota State Medical Association **Tennessee Medical Association Texas Medical Association Utah Medical Association** Vermont Medical Society Medical Society of Virginia Washington State Medical Association West Virginia State Medical Association Wisconsin Medical Society Wyoming Medical Society

American Academy of Dermatology Association American Academy of Pediatrics American Academy of Physical Medicine and Rehabilitation American Academy of Hospice and Palliative Medicine American Association of Child and Adolescent Psychiatry American Association of Neurological Surgeons American College of Obstetricians and Gynecologists American College of Emergency Physicians American College of Physicians American College of Rheumatology American Society of Anesthesiologists Congress of Neurological Surgeons