

# 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