January 31, 2020

Seema Verma

Administrator

Centers for Medicare & Medicaid Services

Hubert H. Humphrey Building

200 Independence Avenue, S.W., Room 445-G

Washington, D.C. 20201

***SUBJECT: CMS–2393–P, Medicaid Program: Medicaid Fiscal Accountability Regulation (Vol. 84, No. 222), November 18, 2019 and CMS-2393-N (Vol. 84, No. 249) December 30, 2019***

Dear Administrator Verma:

<< HOSPITAL NAME>> appreciates the opportunity to comment on the Medicaid Fiscal Accountability Regulation proposed rule. Because the proposed changes would have a devastating effect on the health care safety net in California, and on the lives of many <<HOSPITAL NAME >> patients, we urge CMS to withdraw the rule.

<<PLEASE INCLUDE INFORMATION ABOUT YOUR HOSPITAL>>

<<Example details to include: Where are you located? Consider including details regarding your mission/vision/values, and specifically your commitment to your community. You may also want to include specific details if a high proportion of your hospital utilization is by Medi-Cal beneficiaries.>>

Weask CMS to withdraw the proposed rule because:

* CMS has not conducted the required analysis of how the rule would impact access to care and quality.
* CMS has overstepped its authority by proposing broad discretion with no clear criteria for decision making.
* It puts pressure on our local community to increase taxes to fill the gap created by funding shortages.

**Most concerning to** *<<*HOSPITAL NAME*>>* **is that** **CMS has failed to conduct any analysis of the proposed rule’s impact on Medicaid beneficiaries in our community. We believe these policies will dramatically cut Medicaid funding (Medi-Cal in California), which would reduce or eliminate care for the low-income beneficiaries in our community who rely on it for coverage and, specifically, the care provided by our hospital.**

<<PLEASE INCLUDE YOUR PERSPECTIVE HERE>>  
<<Questions to consider: What would happen if a significant portion of Medi-Cal beneficiaries lost coverage in your community? How would this impact the community and the hospital? Would the hospital have to cut services?>>

State flexibility in funding the non-federal share of Medicaid is essential in making the Medi-Cal program work. Without it, the Medi-Cal program would not be able to provide coverage to 13 million Californians. CMS should not adopt a one-size-fits-all approach and restrict the legitimate use of local governmental funds, health-care related taxes, or provider-related donations in a manner that gives the

agency unrestrained authority, using overly broad standards that could lead to arbitrary decisions and an uneven application across state Medicaid programs.

<<PLEASE INCLUDE YOUR PERSPECTIVE HERE>>

<<Questions to consider in telling your story: What would happen to your multi-year planning if there isn’t predictability with the state’s ability to receive CMS approval of long-standing Medi-Cal supplemental payments (Hospital Fee Program, DPH EPP, etc.)? Would this impact your financial stability? Would it impact your decision-making process for expanding new services or benefits for the community?>>

The current proposals far exceed the agency’s statutory authority.Additionally, we are extremely concerned with the adverse impact the proposed rule’s administrative requirements will have on CMS and Medicaid agencies. **The provisions outlined in the proposed rule are excessive and will cost the state of California millions to implement, without sufficient time to do so. Those costs will inevitably be passed on to providers in various forms.**

Further, CMS’ proposal to limit intergovernmental transfers to ***state or local taxes*** will create additional pressure on counties and states that rely on these arrangements. In California, this effectively puts every county in a position to increase local taxes in order to maintain funding for the Medi-Cal program. In <<YOUR COUNTY>>, where <<INSERT XX% FROM TABLE>> of the population is covered by the Medi-Cal program, we expect our legislators **will have no choice but to seek tax increases in our community, which is unacceptable.**

<<HOSPITAL NAME>> disagrees with CMS’ premise that, in order to improve the program’s fiscal accountability, states should force local communities to raise additional or create new health care-related taxes to support the existing programs.If finalized, these policies will be devastating to our most vulnerable patients. We urge the agency to withdraw the proposed rule and work with stakeholders on policy solutions that will ensure access to care for all who need it.

Sincerely,

NAME

TITLE

HOSPITAL NAME