

Support Safety Net Hospitals: Sign Letter Asking for Withdraw of CMS -2258-P

March 14, 2007

Dear Colleague:

The Administration has proposed a regulation that will drastically change the way Medicaid pays for services at safety net hospitals that care for tens of millions of uninsured Americans as well as Medicaid beneficiaries. If implemented, these changes will have severe consequences for these facilities, many of which provide essential emergency, trauma, and burn care - services that are vital to our nation's capacity to respond to disasters and other large scale population threats.

Recently, many of you signed a letter requesting Congressional action to mitigate the effects of this proposed rule. *But the Administration can solve this problem on its own by withdrawing it.*

We request that you join us in signing the attached letter, which urges Secretary Leavitt to withdraw the proposed rule (CMS-2258-P). Your response is needed no later than 3 PM Friday, March 17.

In the 109th Congress, 300 members of the House and 55 members of the Senate wrote letters urging Secretary Leavitt to not move forward with a similar rulemaking effort. We ask you to express your will again.

For more information on this matter or to sign on, please contact Robin Pam with Rep. Waxman at Robin.Pam@mail.house.gov, 225-5056.

Sincerely,

/s

Henry A. Waxman

Member of Congress

/s

Peter King

Member of Congress

Enclosure

/s

Jan Schakowsky

Member of Congress

/s

James T. Walsh

Member of Congress

Re: Medicaid Proposed Rule, CMS-2258-P

Dear Secretary Leavitt:

We are writing to request that you withdraw proposed rule CMS-2258-P, which was published on January 18, 2007. We also request that this letter be included in the record of public comments on this proposed rule. The proposal would, among other things, threaten the capacity of safety net hospitals to deliver critical but unprofitable services that benefit entire communities, such as trauma centers, burn units, and emergency departments. In our opinion, by proposing this rule, the Centers for Medicare & Medicaid Services (CMS) exceeded its statutory authority and ignored the direct opposition of a majority of Congress.

Your proposal would fundamentally change current financing and payment arrangements in many state Medicaid programs. By your own estimates, this would result in the loss of at least \$3.8 billion in the federal share of Medicaid payments to safety net providers over the next five years. As you know, Congress has in the past rejected, on a bipartisan basis, repeated efforts by the Administration to amend the Medicaid statute to make these changes, including proposals in the President's FY 2005 and FY 2006 budget requests. You now propose to make these fundamental changes by administrative action. You have neither the statutory authority nor the Congressional support to do so.

In addition, we are highly concerned about the timing of this proposed rule. U.S. hospitals are already diverting more than 1/2 million ambulances per year due to facility crowding. Our Nation remains at risk of terrorist attacks, and we are currently expending considerable federal, state and local resources preparing for a possible onslaught of avian flu.

Under these circumstances, we question the wisdom of a policy change that will withdraw large amounts of federal and state Medicaid funds from institutions that play an essential part of the health care systems of our nation's largest and most strategic cities. Doing so will inevitably compromise vital emergency and trauma care capacity.

We urge you to withdraw the proposed rule.

Sincerely,