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NATIONAL RURAL HEALTH ASSOCIATION

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Administrator
Centers for Medicare and Medicaid Services
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Washington, DC 20201

The National Rural Health Association (NRHA) writes today to comment on the current trend in many state governments to cut Medicaid reimbursement rates as a method of balancing their budgets. We appreciate CMS' continued commitment to the needs of the one-quarter of America's health care beneficiaries residing in rural and underserved areas, and look forward to continuing our collaboration to ensure improved health care access and quality.

NRHA is a non-profit membership organization with more than 22,000 members nation-wide that provides leadership on rural health issues. Our membership includes nearly every component of rural America's health care infrastructure, including rural community hospitals, critical access hospitals, doctors, nurses and individuals. We work to improve rural America's health needs through government advocacy, communications, education and research.

We appreciate CMS' continued emphasis on narrowing the gap between rural patients and the providers. We look forward to our continued collaboration in ensuring the one-quarter of Americans living in rural America have access to the health providers and services they need and that those providers have a continuing incentive to work in rural environments.

We write to urge you to deny approval of any state budget agreement that would cut Medicaid reimbursement rates to providers. NRHA supports access standards that establish a goal of assuring the provision of primary care services within 30 minutes travel time from the patient's place of residence. The Department of Health and Human Services' oversight of the Medicare and Medicaid programs and the Children's Health Insurance Program, as well as legislation and regulations concerning patient protections should, at a minimum, address these issues.

Rural populations are generally older, poorer, and more frequently report inferior health status than non-rural populations. Thus, they often have disproportionate health needs. These circumstances, when combined with a higher percentage of Medicaid eligibility in rural areas, make the Medicaid program disproportionately critical to rural residents.

NRHA believes that health care services under Medicaid, including specialist and long-term care, should emphasize local treatment to the highest extent possible; however, NRHA is concerned that the proposed cuts in reimbursement rates would cause rural providers significant difficulty, possibly to the point of departure from the program and refusal to treat Medicaid beneficiaries. This will exacerbate a significant issue as many free-standing practitioner practices have already chosen not to accept Medicaid patients. If

more rural providers are forced to withdraw from the program due to budgetary restraints then rural Medicaid beneficiaries will have a disproportionately difficult time gaining access to care. This issue is exacerbated due to the well documented shortage of medical workforce in rural communities.

Beyond the immediate impact to the Medicaid population, reducing reimbursement rates to rural providers is likely to have a large-scale impact on the general rural population as well. Medicaid is a major source of funding for rural providers. It is particularly significant for rural safety net providers, contributing both to their bottom line and to their continued ability to provide services for their rural population. The strength and continuity of payment structures that support rural providers are therefore critically important. Again, if providers are forced to withdraw from the program, they may be required to relocate, thus extending the medical workforce shortage experienced in nearly all rural areas.

NRHA supports the continuation of Medicaid as a program where all individuals who meet eligibility requirements are covered. We also support a basic level of benefit protection for mandatory and optional beneficiaries, inclusion of elderly, disabled and long-term in the definition of “mandatory population.”

CMS should deny these requests to cut the Medicaid provider rates, because it will exacerbate access to care issues that already exist in rural America. Our current physician to population rate is already a serious problem. A Medicaid rate cut will result in even less providers willing to or able to take Medicaid patients, and would cause a decrease in access to care for the most vulnerable in our state.

If CMS allows the States to solve its budget difficulties by restricting access to care, the Legislatures and Governors will continue to take advantage of this every time they have a budget shortfall. By rejecting these budget actions CMS will help preserve healthcare access not only in rural America, but also help us retain the number of providers willing to take Medicaid patients across each individual state. By denying unfair and unsafe budget balancing tactics, CMS will help prevent a further eroding of access to care in rural America.

Thank you for your consideration of these comments. We look forward to continued work together towards the mutual goals of improving access and quality care for all rural Americans. If you would like additional information, please contact David Lee, Government Affairs Manager at dlee@NRHArural.org or 202-639-0550.

Sincerely,



Alan Morgan
Chief Executive Officer
National Rural Health Association

CC: Kathleen Sebelius, Secretary Department of Health and Human Services
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