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ONE HUNDRED TENTH CONGRESS

Congress of the United States

House of Representatives

COMMITTEE ON OVERSIGHT AND GOVERNMENT REFORM

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January 16, 2008

Ms. Ann Clemency Kohler
Deputy Commissioner
Dept. of Human Services
Division of Medical Assistance
7 Quakerbridge Plaza
P.O. Box 712
Trenton, NJ 08625-0712

Dear Ms. Kohler:

The Committee on Oversight and Government Reform has undertaken an investigation of the Administration's regulatory actions on Medicaid. On November 1, 2007, the Committee held a hearing on this subject that focused on six regulations proposed during the past year: cost limits for public providers (CMS 2258-FC), payment for graduate medical education (CMS 2279-P), payment for hospital outpatient services (CMS 2213-P), provider taxes (CMS 2275-P), coverage of rehabilitative services (CMS 2261-P), and payments for costs of school administrative and transportation services (CMS 2287-P). Since the hearing, the Administration issued an interim final rule on targeted case management (CMS-2237-IFC).

Centers for Medicare and Medicaid Services (CMS) has provided an estimate of the reduction in federal Medicaid payments to states that each of its proposals would achieve. Those estimates are national, not state-specific: in total, the proposed regulations would reduce federal Medicaid payments to states by over \$12 billion over the next five years. At the hearing, the National Association of State Medicaid Directors testified that implementation of these proposals "will only make life harder for the millions of poor Americans."

As part of its investigation, the Committee is attempting to quantify the impact that these proposals will cause for states and for beneficiaries. Despite a request from the Committee, CMS has not provided a state-by-state analysis of the effect of each of these proposals. In a federal-state program as large as Medicaid, where the effects can vary significantly by state, the lack of a state-by-state impact analysis makes it harder for federal or state policymakers—and the public—to understand what is being proposed.

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To assist the Committee and the public in understanding the state-specific impact of each of the six proposals, I request that you submit an analysis of the impact of each of the proposed rules listed above. This analysis should include, for each proposal, an estimate of the expected reduction in federal Medicaid funds to your state over each of the next five years and an estimate of the effect of this reduction on Medicaid applicants and beneficiaries in your state.

The Committee on Oversight and Government Reform is the principal oversight committee in the House of Representatives and has broad oversight jurisdiction as set forth in House Rule X. An attachment to this letter provides additional information about how to respond to the Committee's request.

Please submit all of these materials to the Committee by February 15, 2008. If you have any questions regarding this request, please feel free to contact Andy Schneider of the Committee staff at (202) 225-5056.

Sincerely,

A handwritten signature in black ink that reads "Henry A. Waxman". The signature is written in a cursive, slightly slanted style.

Henry A. Waxman
Chairman

Enclosure

cc: Tom Davis
Ranking Minority Member