

March 16, 2007

Centers for Medicare & Medicaid Services
Department of Health and Human Services
Attention: CMS-2258-P
P.O. Box 8017
Baltimore, MD 21244-8017

**Re: Medicaid Program; Cost Limit for Providers Operated by Units of Government and Provisions to Ensure the Integrity of Federal-State Financial Partnership
72 Fed. Reg. 2236 (January 18, 2007)**

To Whom It May Concern:

The undersigned organizations are writing to comment on Centers for Medicare and Medicaid Services' proposed rule entitled "Cost Limit for Providers Operated by Units of Government and Provisions to Ensure the Integrity of Federal-State Financial Partnership." We urge CMS to reconsider this proposal rule and not implement it.

Implementing this proposed rule will have a severe impact on state governments, public providers and the people who receive health care services through Medicaid and safety net providers. The proposed rule will directly impact public providers by drastically reducing their low reimbursement levels. Moreover, implementing the changes in the proposed rule will also restrict states' ability to support our health care safety net, and place new pressures on already squeezed state budgets.

Ultimately, individuals with health care needs will pay the price. Cutting public provider reimbursement and squeezing state budgets will lead to substantial reductions or outright elimination of critical services for Medicaid beneficiaries and the uninsured. Many states are currently working to expand health care coverage for the uninsured and the proposed rule works to unravel this progress by weakening our fragile health care safety net and increasing the number of uninsured in the United States.

The Centers for Medicare and Medicaid Services claim that this new rule is necessary in order to protect Medicaid's fiscal integrity, however, the proposed rule goes far beyond what is necessary to achieve it and actually works to undermine the premise of the Medicaid program. If implemented, the proposed rule will weaken our nation's fragile health care safety net and reduce or eliminate access to health care services for the 50 million low-income children, parents, seniors and people with disabilities on Medicaid and the 47 million uninsured Americans who rely on public providers. This is no improvement to our health care system.

We urge CMS to reconsider the proposed rule and refrain from implementing it.

Sincerely,
American Association of Homes and Services for the Aging

American Federation of State, County and Municipal Employees
American Network of Community Options and Resources
American Public Health Association
Association for Community Affiliated Plans
Bazelon Center for Mental Health Law
Catholic Health Association
Child Welfare League of America
Easter Seals
Families USA
First Focus
HIV Medicine Association
Housing Works
Independent Living Resource Center San Francisco
Jewish Federation of Metropolitan Chicago
L.A. Care Health Plan
National Advocacy Center of the Sisters of the Good Shepherd
National Association of County Behavioral Health and Developmental Disability
Directors
National Association of County Human Services Administrators
National Association of Social Workers
National Education Association
Premier Advocacy
Premier Inc.
Project Inform
Service Employees International Union
The Arc of the United States
The Children's Health Fund
United Cerebral Palsy