

United States Senate

WASHINGTON, DC 20510

January 31, 2020

Seema Verna, Administrator
Center for Medicare & Medicaid Services
Department of Health and Human Services
P.O. Box 8016
Baltimore, MD 21244-8016

RE: Proposed Rule: CMS–2393–P, Medicaid Program: Medicaid Fiscal Accountability Regulation

Dear Administrator Verma,

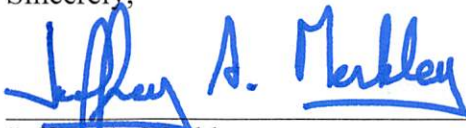
I write to express significant concern with the Centers for Medicare and Medicaid Services' (CMS) proposed rule, Medicaid Fiscal Accountability Regulation (MFAR), that would affect Oregon's Medicaid Program, the Oregon Health Plan (OHP), a critical safety net. CMS' proposed changes would put health benefits at risk for the one in five Oregonians who are covered by Medicaid and rely on it for care.

OHP provides comprehensive coverage to nearly one million Oregonians including more than 300,000 individuals who gained coverage through the Affordable Care Act's Medicaid expansion. In addition to federally mandated coverage for emergency services and hospital care, Oregon provides vital health benefits through OHP such as prescription drugs, mental health services, and dental care. This proposed rule would jeopardize access to these and more services.

CMS has proposed changes to how states pay their share of Medicaid costs including prohibiting states from using established and CMS-approved funding agreements, such as Oregon's voter-approved provider taxes, and adding new limitations to inter-governmental transfers from Oregon's teaching hospital to the Oregon Health Authority (OHA), which help fund OHP. Based on OHA's analysis, this proposed rule could cut approximately 60 percent of state and federal financing for Oregon's Medicaid system. In order to maintain current funding with CMS' proposed changes, Oregon would need to generate \$1.3 billion *per year* in general fund dollars through increased state taxes.

The complexity of the changes have made it difficult for stakeholders, beneficiaries, and advocates to fully understand the proposed rules' potential impact. CMS' regulatory impact analysis also states that the fiscal impact on Medicaid is "unknown." I am concerned that CMS is moving forward with the proposed changes without fully understanding what effects the changes will have on Medicaid beneficiaries. If finalized, this proposed rule would significantly undermine Oregon's ability to finance its Medicaid program, further sabotaging health care for Oregonians and vulnerable communities. Accordingly, I request that this proposed rule be withdrawn in its entirety.

Sincerely,



Jeffrey A. Merkley
United States Senator