

June 11, 2021

Chiquita Brooks-LaSure  
Administrator  
Centers for Medicare & Medicaid Services  
U.S. Department of Health and Human Services  
Hubert H. Humphrey Building, Room 445-G  
200 Independence Avenue SW  
Washington, DC 20201

Ref: Medicaid Supplemental Reporting Requirements in the Consolidated Appropriations Act of 2021

Dear Administrator Brooks-LaSure:

In December 2020, Congress passed the Consolidated Appropriations Act of 2021 (CAA), delaying disastrous Medicaid disproportionate share hospital payments cuts and providing some financial relief for Medicaid providers from pressures due to the pandemic. The legislation addressed other Medicaid issues and established criteria for a Medicaid supplemental payment reporting system. As the Centers for Medicare & Medicaid Services (CMS) works to implement this provision of the CAA, we ask that stakeholders be included in the development process.

Section 202 of the Health Extenders portion of the CAA outlines new requirements for states to report on supplemental payments to Medicaid providers. It requires CMS to establish a reporting system for states to submit appropriate data on supplemental payments, including how these payments are made under the state plan or through demonstration authority, which providers receive these payments, and the methodology to determine how much each provider receives. The statute also requires states to ensure payments will not exceed upper payment limits (UPLs) and to submit UPL demonstrations, if not already submitted. Further, the reports are to be made available to the public.

Supplemental payments are critical for many Medicaid providers. In the absence of adequate Medicaid base payment rates, states increasingly rely on various types of supplemental payments to support providers and ensure Medicaid beneficiaries have access to needed care. While we would prefer sufficient base rates to render supplemental payments unnecessary, that is not the current reality. No steps have been taken to ensure states pay adequate base rates to avoid the need for supplemental payments. As a result, supplemental payments are a necessary means of enhancing below-cost Medicaid rates that simply are unsustainable on their own.

The undersigned organizations want to partner with CMS as you work to implement the Medicaid supplemental payment reporting system by offering our technical expertise and context, as needed. Supplemental payments are complex and vary greatly across and within states, with payments spanning across different years and interacting with other payments in unique ways. As the reports will be made public and used by researchers and policymakers, ample stakeholder input will ensure data is accurate and fairly represented.

Sincerely,

America's Essential Hospitals  
American Health Care Association  
Association for Community Affiliated Plans

Association of American Medical Colleges  
Catholic Health Association of the United States  
Children's Hospital Association  
Federation of American Hospitals  
National Association of Counties  
National Association of Pediatric Nurse Practitioners  
National Rural Health Association  
Premier healthcare alliance  
Vizient