

DEPARTMENT OF HEALTH & HUMAN SERVICES
Centers for Medicare & Medicaid Services
7500 Security Boulevard, Mail Stop S2-26-12
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Center for Medicaid and State Operations

FEB 22 2008

The Honorable Henry A. Waxman
Chairman
Committee on Oversight and Government Reform
U.S. House of Representatives
Washington, D.C. 20515

Dear Chairman Waxman:

I am writing in response to your November 26, 2007 letter requesting documents relating to the development of impact estimates for six Medicaid regulations: CMS 2258-FC (cost limits for public providers); CMS 2279-P (payment for graduate medical education); CMS 2213-P (payment for hospital outpatient services); CMS 2275-P (provider taxes); CMS 2261-P (coverage of rehabilitative services); and CMS 2287-P (payments for costs of school administrative and transportation services). You also requested a state-specific analysis of the impact of each of the six rules.

The Office of the Actuary (OACT) at the Centers for Medicare & Medicaid Services (CMS) is responsible for developing impact estimates for CMS regulations. Accordingly, we asked OACT to search their paper and electronic files for documents responsive to your first request. The search produced Excel worksheets that were used to model and estimate the impacts of the regulations, as well as other documents, reports, and emails that contain information about these regulations or data and assumptions used in creating impact estimates. The documents provided by OACT are included for your review. Please note that these documents are internal and deliberative and do not represent any final Agency statements on policy. Final impact analyses or statements on policy can be found in the published rules.

In light of our concerns to protect Department confidentiality interest, we request that the Committee not publish or otherwise make public the documents given its deliberative nature. We would be happy to discuss with you the nature of our concerns about disclosure as it pertains to any individual document.

With respect to your second request concerning state-specific impact analyses, I regret that we are unable to develop and report this information. While we share your interest in having state specific impacts, it is not possible at this time to generate accurate assessments due to a variety of deficiencies in data collection including variation in state reporting, changes in state funding practices, current available data sources, information systems, and resource levels. For example,

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case management can be reported as a service or combined within administrative costs. Rehabilitative services and school-based transportation could be categorized differently among states. While we have taken a number of steps to improve our data collection systems, we continue to be concerned that state-by-state impacts would not be reliable.

Thank you for your interest in these issues. We look forward to continued work with you to strengthen the Medicaid program.

Sincerely,



Dennis G. Smith
Director
Center for Medicaid and State Operations

Enclosures

cc: Tom Davis
Ranking Minority Member