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Congress of the United States

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May 9, 2016

The Honorable Sylvia Mathews Burwell
Secretary
U.S. Department of Health and Human Services
200 Independence Avenue, S.W.
Washington, DC 20201

Dear Secretary Burwell,

I am writing today to strongly urge you to encourage staff at the Centers for Medicare and Medicaid (CMS) to work with the TennCare bureau in order to renew Tennessee's 1115 Medicaid waiver in a timely manner. Additionally, I request that you provide a one year extension to the current waiver in order to provide time for Tennessee to implement any changes to the program.

Tennessee's 1115 Medicaid waiver expires on June 30, 2016, which currently authorizes all of the hospital supplemental pools. CMS has expressed to the TennCare bureau that they will not continue to authorize the full scope of the pools in their current form after the current waiver expires. If the pool ends or is significantly reduced, Tennessee will need to immediately implement enrollee benefit limits and provider rates reduction.

In recent Medicaid waiver renewals with other states, CMS reduced and restructured the hospital supplemental pools. Tennessee is at a substantial disadvantage compared to other states since we do not have full Disproportionate Share Hospital (DSH) payments. The amount of DSH we receive is estimated to be less than 20 percent of what it would otherwise be without the 1115 Waiver non-DSH supplemental pools.

Additionally, an independent contractor, Public Consulting Group (PCG), completed the required analysis of Tennessee hospital unreimbursed cost and the potential impact of expanding Medicaid. They found that Tennessee hospitals have unreimbursed cost from Medicaid and charity care of over \$400 million, and would have over \$230 million in unreimbursed hospital cost even if Tennessee had expanded Medicaid. These estimates include all pool payments. It is critical that CMS continues full funding for all hospital supplemental pools in the TennCare waiver. These pools are critical to providing care to Tennessee's most vulnerable populations.

With fewer than 60 days until the waiver expires on June 30, I urge CMS to issue a one year extension. Substantial changes to the Uncompensated Hospital Cost (UHC) Pool without

sufficient time to adapt are not fair to either patients or providers. Many of the hospitals in my district are worried about having sufficient notice to adapt to new restrictions to TennCare. Therefore, I urge CMS to act in a timely manner to extend the Medicaid waiver as is through June 30, 2017.

I appreciate your attention to this matter and ask that you keep my office apprised of developments.

As always, I remain,

Most Sincerely,



Steve Cohen
Member of Congress