Minnesota Hospital Association

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Seema Verma
Administrator
Centers for Medicare & Medicaid Services
Department of Health and Human Services
Attn: CMS-2408-P
P.O. Box 8016
Baltimore, MD 21244-8013

Submitted electronically **at** **http://www.regulations.gov**

RE: CMS-2408-P; Medicaid Program; Medicaid and Children's Health Insurance Plan (CHIP) Managed Care Proposed Rule

Dear Administrator Verma:

On behalf of the Minnesota Hospital Association (MHA) and the 142 hospitals and health system members across our state that we represent, thank you for the opportunity to provide feedback regarding the Medicaid Managed Care Proposed Rule. Oversight of managed care in states' Medicaid programs is of increasing importance as more and more Medicaid enrollees across the country receive care and services under the terms and conditions states negotiate with managed care organizations (MCOs).

Minnesota was one of the first states to use managed care in our Medicaid program. Over the years, we have continued to expand our managed care programs, and now a large portion of the 1 million Minnesotans who rely on Medicaid for health coverage and access to care receive that coverage through a managed care organization (MCO).

Generally, MHA supports the issues and concerns raised by the American Hospital Association (AHA) in its comment letter. Accordingly, our comments are focused on those areas with particularly important impacts for Minnesotans and our hospitals and health systems, or issues on which our positions or perspectives differ from those of AHA.

Provider Network Adequacy Standards

The Proposed Rule is intended to give states more flexibility to use quantitative network adequacy standards. This additional flexibility is warranted, but not at the expense of removing the requirement for time and distance standards. The current requirement for time and distance standards should remain in place at a minimum for state compliance, and the Proposed Rule should grant states flexibility to adopt standards *in addition to* time and distance.

Increased Flexibility for States to Direct MCOs to Use Certain Payment Methodologies
After confusion about CMS's previous rule's limitations on directed payments, the Proposed Rule suggests clarifying that states have authority to require MCOs "to adopt a cost-based rate, a Medicare equivalent rate, a commercial rate, or other market-based rate for network providers that provide a particular service under the contract." MHA strongly supports including this clarification in the Final Rule so states have the flexibility to not only adopt different provider payment mechanisms in their fee-for-service (FFS) programs, but also require MCOs to follow suit so certain services or particular providers are reimbursed under the same methodology throughout the Medicaid program. For example, Minnesota's FFS payment rate system reimburses critical access hospitals (CAHs) on a cost basis. By requiring MCOs to pay CAHs on the same basis would create greater alignment of reimbursement processes and standards for the provider, the MCO and the state. This kind of flexibility is important for states to continue to explore and innovate within their respective Medicaid programs.

Likewise, the Proposed Rule's inclusion of new flexibility for states to adopt and require MCOs to administer provider reimbursement methodologies that call for regular or routine payment amounts, such as global budget payments, monthly care coordination payments, or other payment reforms. Removing this unnecessary regulatory barrier and authorizing states to explore these different arrangements is an important step in fostering greater innovation designed to move our Medicaid programs from the FFS arrangements of the past to the value-based care model of the future.

And, including flexibility for states to enter into multi-year arrangements with MCOs without prohibiting automatic renewal of these regular or scheduled payments to providers is a positive step.

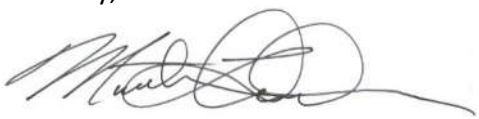
MCO Payments for Services Medicaid Enrollees Receive in Institutions of Mental Disease (IMDs)
CMS is aware that the limitation on federal FFP for services received in an IMD presents a significant and outdated obstacle in almost every state's battle to provide sufficient access to care for mental and behavioral health needs, and that this obstacle is even more concerning in light of the opioid crisis ravaging individuals, families and communities across the country. Accordingly, MHA is disappointed that the Proposed Rule does not include recommendations for expanding the number of days of IMD services that can be covered by a MCO from 15 to 30 in a given month.

MHA's plea to expand the number of days beyond 15 is rooted in our concern for patients and families who need critical, life-saving care that, in many cases, is available only in an IMD. In addition, MHA believes this is a financial parity issue. If a state is paying MCOs a capitated per-member/per-month (pm/pm) rate to administer services for a particular enrollee for a given month, shouldn't the MCO be required to reimburse providers, including IMD providers, for the services delivered to that enrollee during the respective month corresponding to the capitation payment? Why should the MCO collect an entire month's capitation rate, but pay for no more than 15 days of health care services received by the enrollee during the month?

Although MHA considers it to be poor public policy, we could understand if CMS restricted MCOs from reimbursing for IMD services across multiple months because doing so would effectively contradict the statutory limit on reimbursement for services at IMDs. But, there is no such concern if CMS authorizes MCO payments to IMD providers for care provided within a single calendar month. MHA urges CMS to reconsider its position and expand the number of days in the same month for which services delivered by an IMD provider can be reimbursed by a MCO from 15 to 30.

Again, we appreciate the opportunity to offer these comments and suggestions. If you or your staff have questions, please feel free to contact me anytime.

Sincerely,



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