



March 18, 2011

Centers for Medicare & Medicaid Services
Department of Health and Human Services
Attention: CMS-2400-P
PO Box 8016
Baltimore, MD 21244-1850

On behalf of Medicaid Health Plans of America (MHPA), I am submitting comments on the proposed rule regarding payment adjustments for Provider-Preventable Conditions and Health Care-Acquired Conditions.

As the leading trade organization representing Medicaid health plans, MHPA is committed to quality improvement and patient safety in the Medicaid program. Regarding provider preventable conditions and health care acquired conditions, MHPA recommends that CMS:

- Move towards standardization of requirements across states to improve the quality of national data and ease the data collection burden for states
- Conduct an analysis of state reimbursement policies in states with Medicaid health plans and assess how the proposed payment restrictions can be implemented under risk capitation arrangements and provide guidance in the final rule.

Standardization

Currently, 35 states and DC contract with Medicaid health plans to provide benefits to over 23 million enrollees – 46% of the Medicaid population. As an industry of organizations working with multiple states, we are well aware that each state Medicaid program operates differently. Variation and flexibility allow states to tailor their Medicaid programs for the specific needs of their population, however it also presents a challenge to organizations working with multiple agencies and hinders the collection of strong national data.

Under the proposed rule, states can add conditions to the list of HCACs. As we've mentioned in previous letters related to quality measures, we feel it is important that requirements of this nature undergo the appropriate testing and evaluation at the national level. In addition, varying lists of HCACs would lead to operational problems for health plans working in multiple states and may contribute to additional regional variations in quality.

We would recommend a process to allow states to propose additions to the national list that would be evaluated for applicability across the entire Medicaid program.


Further Guidance on Implementation in States with Medicaid Health Plans

The proposed rule does not speak to how the payment adjustments for PPCs and HCACs should be implemented with capitated health plans. State policies for reimbursement of hospital services vary. To effectively implement this policy, we need to ensure that capitated health plans are not held responsible for these services. This would unfairly shift cost to health plans and limit the patient safety potential of this policy.

MHPA recommends that CMS further investigates the various payment arrangements states establish with risk bearing entities for hospital and other provider services covered in this rule. MHPA recommends that CMS issue guidance in the final rule that addresses how the payment adjustments will be operationalized in states with Medicaid health plans.

We appreciate your consideration of these comments. For more information, please contact me at TJohnson@mhpa.org or 202-857-5725 or Alix Love, Medicaid Policy Manager, at alove@mhpa.org or 202-857-5726.

Sincerely,

A handwritten signature in black ink, appearing to read "Thomas L. Johnson". The signature is fluid and cursive, with a large initial "T" and "J".

Thomas L. Johnson
President & CEO