



Private
Essential
Access
Community
Hospitals

California's Community Safety Net Hospitals
Essential to Access, Essential to Health

July 14, 2020

The Honorable Roger Williams
United States House of Representatives
Washington DC 20515

The Honorable Eddie Bernice Johnson
United States House of Representatives
Washington DC 20515

Dear Representatives Williams and Johnson:

I am writing on behalf of Private Essential Access Community Hospitals (PEACH), statewide association representing California's core community safety-net hospitals that care for a disproportionate share of low-income, medically vulnerable patients, to convey our support for your new bill, the MFAR Transparency Act. HR 7606 would delay implementation of the Medicaid fiscal accountability regulation until the Government Accountability Office analyzes the proposed rule's potential financial impact on individual states and identifies what is needed to enhance Medicaid transparency, and even then, it would only permit implementation of MFAR with specific authorization from Congress.

PEACH believes many provisions of the MFAR rule would hurt low-income Americans, hurt state Medicaid programs, and hurt providers located in low-income communities. In particular, we oppose the regulation's attempt to interfere with how states finance their Medicaid programs. We are especially concerned that the MFAR rule would enable federal regulators to reject state Medicaid funding mechanisms that are explicitly permitted under federal law and have been approved in the past. This could jeopardize the financial foundations of many states' Medicaid programs

As a coalition of private California safety-net hospitals, PEACH is especially concerned about the MFAR rule's potential impact on our state and its Medicaid program. If implemented, it could drastically reduce funding for Medi-Cal, the state Medicaid program on which 13 million Californians – one-third of the state's population – depend on to meet their medical needs.

If implemented, the MFAR rule could jeopardize access to care for millions of Americans. For this reason, PEACH supports your effort to delay its implementation until we have a better understanding of its implications for states and what it seeks to accomplish and we especially support your conclusion that any such significant policy changes should only be adopted when authorized by Congress. If there is anything PEACH can do to help you with this effort, please do not hesitate to contact us.

Sincerely,

Anne McLeod
President and CEO