

Congress of the United States
Washington, DC 20515

January 29, 2020

The Honorable Alex M. Azar, II
Secretary
U.S. Department of Health and Human Services
200 Independence Avenue, S.W.
Washington, DC 20201

The Honorable Seema Verma
Administrator
Centers for Medicare and Medicaid Services
7500 Security Boulevard
Baltimore, MD 21244

Dear Secretary Azar and Administrator Verma,

We write to express our strong concerns regarding your intent to approve Medicaid block grant waivers. Previous statements from those in the Administration make it clear that the goal of these block grants is to cut benefits and further limit access to publicly funded health care.¹ Additionally, the approval of such waivers would directly oppose federal statutes, which describe how the federal agency must make matching funds available to state Medicaid programs.²

Medicaid was created in 1965 for the purpose of expanding access to healthcare to low-income children, families, people with disabilities, seniors, and other adults.³ Section 1115 explicitly permits waivers of specific sections of the Social Security act, but does not allow waivers for Section 1903, the section that directs federal matching funds to states.⁴ Therefore, the Centers for Medicare and Medicaid Services (CMS) is required to match state's spending as the statute prescribes and is powerless in determining alternative state payments, including capping the Medicaid funds it disburses. The power and responsibility to change these payments lie solely with Congress. The intent of the current structure and the federal match is to help states provide adequate medical support for their poorest residents.

By contrast, the purpose of block grant waivers is to overhaul the state's Medicaid program by capping federal funding. In turn, states would be given a lump sum of federal money, freed from federal oversight or accountability measures; measures which encourage baseline benefits and quality of care to be available to all enrollees. These waivers would give states the ability to limit and remove enrollees or cut certain health care benefits and rates, if they believe they are too costly or unnecessary.

Permitting waivers to allow for less spending in return for limited oversight directly contradicts Congress's intent when establishing Medicaid; a safety-net health program. Medicaid block

¹ <https://www.cms.gov/newsroom/press-releases/remarks-administrator-seema-verma-hlth-conference>

² https://www.ssa.gov/OP_Home/ssact/title19/1903.htm

³ <https://aspe.hhs.gov/report/using-medicaid-support-working-age-adults-serious-mental-illnesses-community-handbook/brief-history-medicaid>

⁴ https://www.ssa.gov/OP_Home/ssact/title11/1115.htm

grants necessitate cost-cutting measures like restricting enrollment, decreasing provider reimbursement, and limiting eligibility and benefits through managed care. These actions endanger the lives of the most vulnerable patients, the population Medicaid was created to protect.

Not only do Medicaid block grants directly oppose Congress's intent for the Medicaid program, but they are illegal under Section 1115.

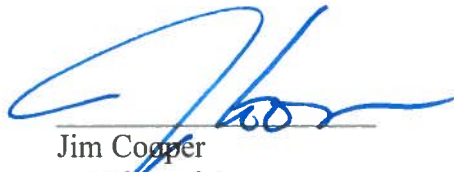
Earlier this month, House Energy and Commerce Chairman Frank Pallone, Jr. and Senate Finance Ranking Member Ron Wyden sent a letter to the Office of Inspector General in the Department of Health and Human Services citing the illegality of Medicaid block grants.⁵ Chairman Pallone and Ranking Member Wyden are both members of the two Committees with jurisdiction over Medicaid; the agency should heed their concern over the lack of program integrity should these waivers be approved.

Guidance providing states a roadmap to obtain Medicaid block grant waivers not only defies Congress and the federal Medicaid statute but if implemented, will threaten health care for millions of individuals, hurting them when they are the most vulnerable. The Administration should not issue any guidance encouraging block grant waivers, should reject these waivers and the concept of block grants, and urge any state that is considering this misguided policy to commit its energy to implementing Medicaid as Congress intends.

Sincerely,



Joseph P. Kennedy, III
Member of Congress



Jim Cooper
Member of Congress



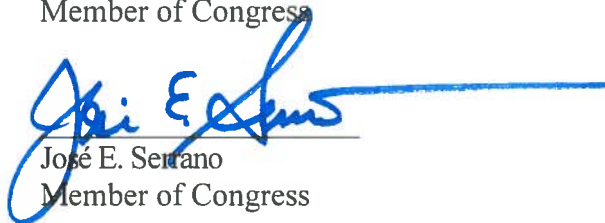
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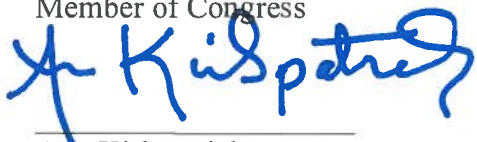


Eliot L. Engel
Member of Congress

⁵ <https://energycommerce.house.gov/sites/democrats.energycommerce.house.gov/files/documents/TN.pdf>



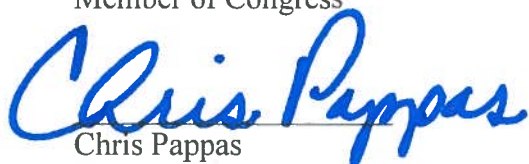
Susan Wild
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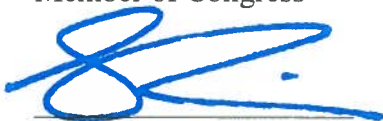
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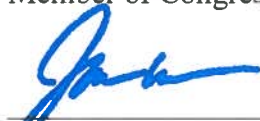
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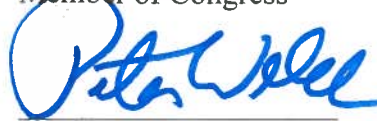
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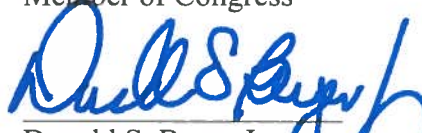
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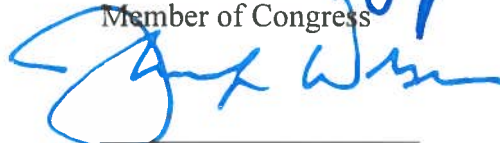
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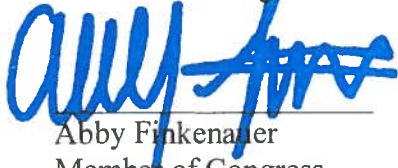
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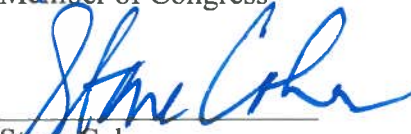
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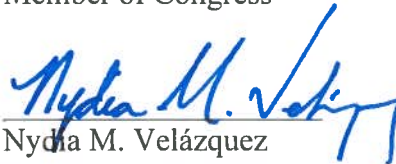
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