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Sean Cavanaugh
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**Division of Federal, State
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Dear Mr. Cavanaugh,

I am writing to you on behalf of the National Association of Community Health Centers (NACHC) to request an opportunity to meet with you and your staff on an issue that Federally Qualified Health Centers (FQHCs or health centers) have been struggling with for many years. Specifically, delays in site certification of health centers are causing health centers to experience delays in receiving payments under both Medicare and Medicaid from the Centers for Medicare & Medicaid Services (CMS). This problem stems from a Medicare process, but unfortunately the impact is felt across multiple programs, creating significant financial and operational problems for otherwise approved health centers. Sadly, these site certification delays are hurting the very health centers that have been established, or have expanded, as a result of the funding provided in the Affordable Care Act to increase health center access. Today, health centers currently serve over 22 million patients nationwide, including 1.7 million Medicare beneficiaries and 8.4 million Medicaid beneficiaries. Located in medically underserved areas, health centers provide primary and preventive care in areas where there are few or no other sources of care, and continue their goal of expansion to ensure that patients in every medically underserved area have a regular, consistent source of care.

NACHC has heard from health centers around the country that they are experiencing lengthy delays when attempting to enroll a new site in Medicare. Based on their reporting, health centers are waiting at least 6 months – and often up to a year – simply to receive their Medicare site numbers. As you know, in order for a health center to begin billing Medicare, it must complete an 855a application. This application is sent first to the regional Medicare Administrative Contractor (MAC) for review. When that review is complete, the application is sent to the CMS regional office for final review and approval. We are aware that the staffs at these regional offices have been asked to do more with fewer resources and appreciate their ongoing dedication. We also understand and appreciate the importance of this general approval process from a certification and fraud prevention perspective. However, we regularly hear from health centers that the cumbersome process that can lead to very lengthy delays, placing a heavy and unnecessary burden on health centers.

The impact of these approval delays extends beyond the Medicare population for health centers. They prevent the payment for services under Medicare as well as under Medicaid for many FQHCs; today, 26 states require Medicare enrollment as a condition for Medicaid enrollment. In order for FQHCs to begin the application process for either Medicare or Medicaid, they must be open and operational. This means that health centers are fully operational, treating patients, providing services, and incurring costs

for a number of months, sometimes for over a year, before they are able to even begin billing Medicare or, often, Medicaid. The financial burden of this delay is difficult for health centers to bear, as they are not-for-profit, and therefore often operate on very narrow margins and are typically reliant on Medicare and Medicaid as the primary sources of reimbursement for the care provided to their patients. Several months to a year of nonpayment under either of these programs can be more than difficult for these health centers – it can be financially ruinous.

As noted earlier, we appreciate the work of Medicare’s regional offices and the need for proper certification, but the prolonged delays in the process take a serious toll on health centers. Health centers are struggling with the lack of Medicare and Medicaid payment in their early days of operation and need assurances that they will receive appropriate reimbursement for the provision of these services. The lengthy delays they have experienced have caused many health centers to endure significant avoidable strain on their already limited resources and, in some unfortunate instances, have forced health centers to close their doors.

We look forward to discussing this issue with you in more detail and working together to find a workable solution. Health centers stand ready to meet the growing need for care in medically underserved areas, but cannot do so without the proper resources.

Thank you for attention to this critical issue. Please do not hesitate to contact me should you need additional information. We look forward to hearing from you.

Sincerely,

A handwritten signature in cursive script, appearing to read "Roger Schwartz".

Roger Schwartz

Associate Vice President of Executive Branch Liaison