



September 15, 2020

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

Dear Secretary Azar,

On behalf of the nation's Medicaid Directors, NAMD is writing to request a more active and robust partnership between the Department and state Medicaid agencies in future federal actions to support the nation's health care providers. We appreciate the efforts of the Department to make awards from the Provider Relief Fund (PRF) to Medicaid and Children's Health Insurance Program (CHIP) providers in the past months and see opportunities to further improve future activities in this area. Fully leveraging the unique state-federal partnership at the core of Medicaid at the onset of such processes will mitigate the need for remediating policies mid-stream.

It is in the spirit of this partnership that we request HHS work directly with states and fully utilize Medicaid agency expertise to bring critical relief to Medicaid providers still struggling with the impacts of COVID-19. As we noted in previous communications on the PRF, states possess more direct line of sight into their Medicaid provider landscapes than the federal government. Examples of state expertise include, but are not limited to:

- Maintenance of regular and trusted communications with Medicaid providers,
- Relationships with state-level provider associations, and
- Contractual relationships with providers and/or managed care entities working directly with providers

HHS's utilization of this state-level insight to inform effective and actionable relief mechanisms, primarily via the existing partnership between states and the Center for Medicaid and CHIP Services (CMCS), is the best path for supporting critical service delivery infrastructure.

While we appreciate HHS's efforts to date to provide PRF dollars to Medicaid providers through the Medicaid and CHIP allocation and the second general distribution, we believe the state engagement strategies employed by HHS to develop these allocation methodologies did not fully leverage state expertise. This unfortunately produced some challenges for providers in navigating the PRF process. A lack of consistent communication with states and sporadic availability of actionable data to support state-led provider outreach further inhibited the overall efficacy of the PRF process.

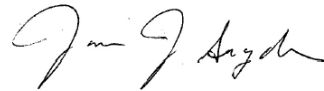
These are solvable problems that can be rectified going forward by regular communication and stronger, more proactive partnership between HHS and the states. State Medicaid agencies are familiar with the ongoing challenges of their provider communities and continue developing strategies to ensure provider capacity to serve Medicaid members remains in place. As HHS contemplates additional federal actions

to reach these providers, whether through the PRF or other avenues such as expanding state retainer payment authority, we strongly encourage HHS to engage with its state partners during the planning phase to ensure future processes are targeted, timely, effective, and designed from the beginning to meet Medicaid's unique needs.

Sincerely,



Beth Kidder
President, NAMD
Deputy Secretary for Medicaid
Florida Agency for Health Care Administration



Jami Snyder
President-elect, NAMD
Director
Arizona Health Care Cost Containment System