

United States Senate

WASHINGTON, DC 20510

August 27, 2008

The Honorable George W. Bush
The White House
Washington, D.C. 20500

Dear Mr. President:

We are writing to express our grave concern over the Centers for Medicare and Medicaid Services' Proposed Rule regarding Clarification of Outpatient Clinic and Hospital Facility Services definition and Upper Payment Limit. If this rule were to be implemented, it would have a devastating impact on multiple health care facilities across New York State. We would urge you to suspend implementation of this rule in order to preserve critically needed health care access for low-income families in our state and across the nation.

The proposed rule would drastically revise the upper payment limit (UPL) for freestanding health clinics – such as school-based health centers, adult day health centers, family planning clinics, and substance abuse counseling and mental health clinics – to bring them into alignment with Medicare payments. This revision would have the impact of lowering the reimbursement of such clinics. Many of the services provided by these clinics are not covered by the Medicare program, and are meant to address the needs of populations that are different from those served by Medicare. We fail to understand why Medicare reimbursement was arbitrarily chosen to replace a payment system that has allowed many of these clinics to serve the needs of the most vulnerable Americans.

There are more than 400,000 patients in New York that rely on these clinics, and we are concerned that implementation of this rule will severely restrict their access to essential health care services. Overall, clinics based in New York are expected to lose more than \$350 million – including \$25 million in estimated losses for clinics that serve individuals with developmental disabilities, \$41 million in estimated losses for renal dialysis clinics, and \$25 million in estimated losses for substance abuse treatment clinics. In addition, the rule is expected to impact the provision of specialized day treatment services for almost 30,000 seriously ill adults and children.

This rule would have an unacceptable impact on care and treatment for the low-income families that are in greatest need of specialized health care services, and it would devastate the safety net of care in New York State. In this time of increasing economic uncertainty, we cannot afford to abandon those who rely on these services. We would urge you to suspend implementation of this rule.

Sincerely,



Hillary Rodham Clinton



Charles E. Schumer