



November 20, 2017

The Honorable Orrin Hatch
Chairman
Committee on Finance
United States Senate
Washington, DC 20510-6200

The Honorable Ron Wyden
Ranking Member
Committee on Finance
United States Senate
Washington, DC 20510-6200

RE: Section 5005 (b)(2) of the 21st Century Cures Act

Dear Chairman Hatch and Ranking Member Wyden:

We are writing to request that Congress delay the effective date of implementation of the requirements of Section 5005(b)(2) of the 21st Century Cures Act, which would require all Medicaid managed care plan providers and pharmacies to be enrolled with state Medicaid agencies.

Section 5005(b)(2) provides that, beginning January 1, 2018, states must screen and enroll all Medicaid health plan network providers and pharmacies that are not otherwise enrolled with the state to furnish services to managed care beneficiaries. However, states continue to face significant challenges due to technical and operational changes needed to effectively implement these requirements for their fee-for-service (FFS) populations. These challenges will lead to delays in access to care impacting the larger managed care population if the January 1, 2018 effective date is not postponed.

Without appropriate coordination of enrollment data, there will be unjustifiable and substantial interruptions in patient access to pharmacy and other healthcare services. Currently, managed care plans are experiencing significant deficiencies in accessing timely and standardized FFS provider and pharmacy enrollment data. The current Medicaid FFS enrollment process is very lengthy and labor intensive, and Medicaid programs will not be able to complete the enrollment process in a timely manner for all providers serving managed care beneficiaries.

On average, 25 to 30 percent of FFS claims have been at risk for point-of-service denials due to the provider's non-enrolled status. The number of rejected healthcare claims will soar unmanageably when the larger Medicaid population under managed care faces provider enrollment validation beginning January 1.

As stakeholders, we are committed to partnering with Congress, the Centers for Medicare and Medicaid Services (CMS), and the states to establish a provider enrollment and verification process that works for managed care plans and their Medicaid enrollees. Given the lack of

timely access to accurate provider enrollment data, standardization of file layouts, implementation guidance, and understanding of the impacts on patient access and overall care, managed care organizations cannot possibly implement the provider enrollment process for a January 1, 2018 go-live date.

Our organizations urgently request that Congress extend the effective date of Section 5005(b)(2) of the 21st Century Cures Act until such a time that CMS and states can balance beneficiary access and patient protections, as well as craft a comprehensive provider validation process that can be constructed and implemented by all stakeholders.

We thank you for your attention to this important matter. Please feel free to contact William Tighe at 703-837-4214 or at WTighe@nacds.org or any of the undersigned organizations if you have any questions or would like any additional information.

Sincerely,

Blue Cross Blue Shield Association
Medicaid Health Plans of America
National Association of Chain Drug Stores
National Council for Prescription Drug Programs
Pharmaceutical Care Management Association

CC: Member of Senate Finance Committee