

# United States Senate

WASHINGTON, DC 20510-0803

March 4, 2015

Acting Administrator Andrew Slavitt  
Centers for Medicare and Medicaid Services  
200 Independence Avenue, SW  
Washington, DC 20201

Dear Acting Administrator Slavitt,

Thank you very much for meeting with my staff and me on Tuesday, February 24. I appreciated your updates, thoughts, and perspective on important issues within the Centers for Medicare and Medicaid Services (CMS) and enjoyed meeting you.

First, I appreciate your updates regarding the Program for All Inclusive Care for the Elderly (PACE). While a further delay of the release of revised PACE regulations is disappointing, I do hope the new goal of their release this summer is met. Further, I look forward to hearing more about CMS' timetable for establishing the PACE pilot for ages 55 and under that is, as the President's FY 2016 Budget Proposal states, budget neutral. Both the revised regulations and the pilot will significantly improve PACE's ability to innovate and adapt to the needs and requirements of the changing health care market.

Secondly, I appreciate your ongoing commitment to fighting waste and fraud in Medicare and Medicaid. As we all agreed, the most recent improper payment numbers for both programs show that we have a lot of work ahead to put in place stronger financial controls and other requirements. However, the good news is that we are seeing renewed interest in Congress toward addressing these issues. I look forward to collaborating with your agency to further my legislation and learn more about the Healthcare Fraud Prevention Partnership. I am convinced that, together, we can do more to prevent improper payments in Medicare and Medicaid, and I look forward to opportunities to improve and expand program integrity initiatives.

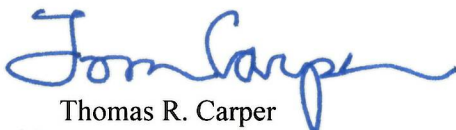
Finally, as we discussed, Delaware recently became an all-urban wage index state, and, as a result, Nanticoke Memorial Hospital in Sussex County, Delaware, lost its rural Medicare Dependent Hospital status. The resulting loss of funds for Nanticoke Memorial Hospital will have a significant impact on its workforce and ability to care for people who live in this county which, regardless of its Federal designation, is a very rural, agricultural area of the state. I appreciate your willingness to discuss this matter, and to consider providing to this hospital the multi-year transition assistance that was afforded to other hospitals with changes in status in the most recent Inpatient Prospective Payment System rule (IPPS). Providing this equal treatment for Nanticoke Memorial Hospital, in the next expected IPPS, is essential to the hospital's ability to properly plan for continuing to deliver quality care to the residents of the county. I look forward to working with you and your staff to make this happen.

I appreciate your willingness to work on these important issues. Please contact me with further updates or any questions you may have, through my staff members, Ted Prettyman and Peter Tyler.

Thank you, again, for your time, and congratulations on taking the reins at CMS.

With best personal regards, I am

Sincerely yours,



Thomas R. Carper  
U.S. Senator