



SEP 16 2014

Phoenix Area Indian Health Service
Two Renaissance Square
40 North Central Avenue
Phoenix, Arizona 85004

Wakina Scott, Ph.D.
Division of State Demonstrations and Waivers
Centers for Medicare & Medicaid Services
7500 Security Boulevard, Mail Stop S2-01-16
Baltimore, MD 21244

RE: Renewal of Uncompensated Care
Payments

Dear Dr. Scott:

On behalf of the Phoenix Area Indian Health Service (PAIHS), I write to strongly urge the renewal of the uncompensated care payments provided to Indian Health Service (IHS) and Tribal health programs operated under P.L. 93-638 (hereafter referred to as "638 facilities") under the Section 1115 Demonstration Waiver amendment for services that were limited or eliminated by the State of Arizona since 2010. The Waiver amendment will expire on December 31, 2014.

On November 1, 2013, Arizona's State Medicaid program, Arizona Health Care Cost Containment System (AHCCCS) requested an amendment to the State's Section 1115 Demonstration Waiver. As requested, the amendment would continue its current authority to provide uncompensated care payments through September 30, 2016, to IHS and 638 facilities for services provided to Medicaid-eligible adults that were eliminated or reduced on or after October 1, 2010 and had not been restored. On December 26, 2013, AHCCCS was notified that the amendment was approved by CMS to continue uncompensated care payments but for only one year.

As indicated in the Medicaid section of the 1115 Demonstration Waiver Special Terms and Conditions (STCs), the State of Arizona was required to conduct a performance measures evaluation of the financial impacts the uncompensated care payments had on IHS and 638 facilities. The evaluation was conducted and the results of the evaluation revealed that payments made by AHCCCS under this authority have been critical in maintaining an appropriate level of health care delivery for current and future Medicaid beneficiaries through IHS and 638 facilities. The responses to the evaluation survey show these payments continued crucial staffing and services at levels prior to implementation of the reductions and eliminations. Absent the waiver authority, staffing and services would have severely been impacted in an already fragile delivery system that provides critical care for a population struggling to overcome healthcare disparities.

Eligible patients of the PAIHS, including those in tribal and urban communities, can be considered highly disadvantaged in regard to the unemployment rate and even higher percentage of uninsured patients. These patients have only the limited services provided

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by the Indian health system to rely on without health care coverage. In communities served by the PAIHS, the high percentage of poverty and unemployment indicates that without the renewal of the uncompensated care payments, the likely impact on our patients will be disproportionately greater than that of the general public. Without reimbursement, the burden on the Indian health system will increase substantially without improving the present standard of care.

For the reasons stated, the PAIHS urges the prompt renewal of the 1115 Demonstration Waiver uncompensated care payments for an indefinite period of time.

Sincerely,

A handwritten signature in cursive script that reads "Rose Weahkee, Ph.D.".

Rose Weahkee, Ph.D.
Acting Director
Phoenix Area Indian Health Service