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Congress of the United States
House of Representatives
Washington, DC 20515

August 12, 2026

The Honorable Dr. Mehmet Oz
Administrator
Centers for Medicare & Medicaid Services
Department of Health and Human Services
7500 Security Boulevard
Baltimore, MD 21244

Re: Medicaid Program; Medicaid Managed Care State Directed Payments and Medicaid Fee-for-Service Targeted Medicaid Practitioner Payments Proposed Rule (CMS-2449-P)

Dear Administrator Oz,

I write in strong opposition to the Medicaid Managed Care State Directed Payments and Medicaid Fee-for-Service Targeted Medicaid Practitioner Payments Proposed Rule (CMS-2449-P), published in the *Federal Register* on May 22, 2026 and urge you to reformulate and revise this rule to minimize the harm to States, providers, and patients.

Unquestionably, this rule makes a flawed law even worse. If finalized as proposed, the rule would further destabilize state Medicaid programs and lead to significant reductions in payments to providers.

- This rule goes beyond what is required in law by extending state directed payment caps for Medicaid managed care to all service types and to some fee-for-service (FFS) supplemental payments. CMS should withdraw that proposal.
- The rule also proposes to set caps at the individual provider and service level, which would be incredibly onerous on the state and providers and could harm certain providers, like safety net providers. CMS should implement payment limits on an aggregate basis and review the proposed rule to eliminate additional areas of unnecessary burden, such as timing and documentation requirements, requirements for National Provider Identifier lists, and utilization-based retrospective reconciliation.
- Provisions of the proposed rule around rate caps are similarly concerning. States have long under-invested in Medicaid provider payments, and many states now use state

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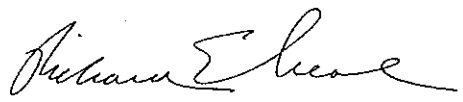
directed payments to remedy longstanding gaps in payment that have harmed access for Medicaid enrollees. Last year's Republican reconciliation law prevents states from using private market payment rates in four categories of service only. Applying rate limits to state-directed payments beyond the four categories in the rule would mean that providers that have historically been paid low Medicaid reimbursements will be unable to receive critical increases in payments, resulting in diminished access to care in services and communities that are already struggling. The proposed caps on services without Medicare equivalents will effectively remove states' ability to invest in those services, which include pediatric and maternity care and home-and-community-based services. The proposed rule's inclusion of quality incentive payments in the rate caps will impede states' policy goals to incentivize and promote quality of care.

As you know, President Trump and the Republican Congress' "signature law" was an assault on health care programs, like Medicaid, Medicare, and the Affordable Care Act - which collectively make health care affordable for more than half of the nation - in order to fund tax cuts for billionaires. The proposed rule should be significantly revised to minimize that damage, not exacerbate it. I urge you to wholly revise the rule as currently proposed.

Sincerely,



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