

**DEPARTMENT OF HEALTH AND HUMAN SERVICES**

200 Independence Avenue, SW  
Washington, DC 20201



December 7, 2020

Dear Governor:

Our nation has elevated our crisis response in our fight against COVID-19. As we enter the winter months, cases and hospitalizations are surging across the country. In many of your communities, already stretched hospitals are pressing against the limits of their capacity while our front-line health care heroes fight on against the unrelenting weight of a nine-month battle against this pandemic. Additional proactive steps to mitigate against these converging forces is necessary to protect Americans and fully leverage all resources at our disposal.

That is why, recently, the Centers for Medicare & Medicaid Services (CMS) announced a [comprehensive strategy](#) to enhance hospital capacity amid the COVID-19 surge. Building on CMS's successful *Hospital Without Walls* initiative, this strategy includes the use of unprecedented regulatory flexibility to allow hospitals to provide safe inpatient care for eligible Medicare patients in their homes as well to more fully leverage ambulatory surgical centers (ASCs) as a critical relief valve to continue life-saving care, like cancer surgeries, as hospitals resources are directed to the care of COVID-19 patients.

In order for this strategy to have maximum effect, it requires state leaders to take three key steps: ensure no state-level licensure or scope of practice restrictions would impede your health systems from leveraging these flexibilities, ensure that your Medicaid agency is adapting payment and coverage policies appropriately, and foster coordination among your state's health care system to create the partnerships necessary for effective community surge plans.

First, I urge you to examine your own state-based licensure and practice requirements to ensure that there are no undue restrictions that would prevent hospitals or ASCs from fully leveraging these new flexibilities. For example, we are aware of states with ASC length of stay restrictions more stringent than CMS and other states who do not consider ASCs as a viable option through their pandemic and emergency plans.

Second, our initiative to allow Acute Hospital Care at Home was developed to support models of at-home hospital care that have seen prior success in several leading hospital institutions and networks. Our actions immediately allow hospitals to safely provide in-home hospital treatment for more than 60 different acute conditions, such as asthma, congestive heart failure, pneumonia and chronic obstructive pulmonary disease care, and continue to receive the normal Medicare hospital reimbursement. Health systems in Utah, Massachusetts, New York, New Mexico, Iowa, and Missouri have already received CMS approval to begin, and we expect more will be approved in the coming days.

These facilities will be able to immediately begin providing such care to Medicare patients. No additional federal authority is needed for your Medicaid programs to reimburse facilities that

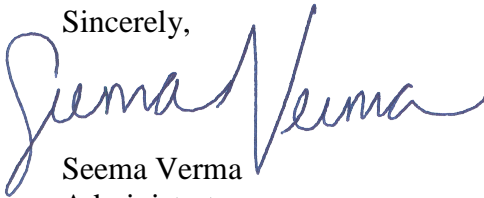
provide care under such in-home models as long as you intend to reimburse for these services in the same manner as you would if they were provided in a traditional hospital setting. Please work with your Medicaid agency to ensure that there are no state-level barriers or restrictions that may impede implementation of this important initiative. Our Medicaid team at CMS stands ready to provide technical assistance.

We recognize that every state and community is different. The systems of care that treat our patients vary widely and are locally led. No single national approach will work for every system, and while CMS has provided the broad flexibilities to create this opportunity, it will be up to local leaders to ensure they are fully leveraged. I urge you to convene your state regulatory agencies, payers, and health systems to explore how these regulatory flexibilities can be applied in your state. It may require new partnerships between once-competitors, which would help facilities address capacity issues and allow care to continue safely and swiftly across various settings, because we are all in this fight together.

Finally, a bright light amidst this current surge is the imminent availability of COVID-19 vaccines as part of the Operation Warp Speed initiative. As we rapidly ramp up efforts to distribute and support administration of COVID-19 vaccines through a phased-in approach to all Americans, we encourage you to make sure that your state Medicaid programs are prepared to adequately reimburse for COVID-19 vaccine administration. While the vaccine is initially being purchased by the federal government and coverage of the administration fee is generally required in Medicaid under the terms of the Families First Coronavirus Response Act, states have discretion with regard to administration reimbursement rates. We have released a Medicaid and CHIP vaccine [toolkit](#) to assist states in their preparation efforts. I am encouraging you to ensure that your state's COVID-19 vaccine administration fees support adequate provider participation, and we have shared with your Medicaid leadership the details of Medicare's reimbursement framework as a potential model.

More information is available [here](#) about this initiative, and my team stands ready to provide you and your health care providers with the support and technical assistance necessary. Thank you for your work to support the health care needs of Americans during these difficult times.

Sincerely,

A handwritten signature in blue ink that reads "Seema Verma". The signature is fluid and cursive, with the first name "Seema" and the last name "Verma" clearly distinguishable.

Seema Verma  
Administrator