**[DATE]**

The Honorable **[INSERT REPRESENTATIVE OR SENATOR]**

**INSERT ADDRESS**

Washington, DC

Dear [Representative/ Senator X]:

Dear [X],

On behalf of [**INSERT NAME OF TRIBE/TRIBAL ORGANIZATION HERE**] we offer this letter of support to extend the Medicare-Like Rate (MLR) cap on Contract Health Services (CHS) to all non-hospital Medicare participating providers and suppliers. Expanding the Medicare-Like Rate cap is a budget-neutral cost-savings mechanism that will allow IHS and Tribal facilities to stretch limited CHS dollars further and create parity with other federally-funded health systems. We echo the recommendation of the Government Accountability Office (GAO) report released on April 11, 2013 and request that Congress enact legislation that would allow HHS to extend the MLR cap to all Medicare participating providers and suppliers.

CHS programs are the only federal health care programs that continue to pay full billed charges for non-hospital services. On average, full billed charges are nearly 70 percent more than negotiated rates. The GAO report estimates that by expanding the MLR to non-hospital services, IHS and tribal CHS programs would be able to save hundreds of millions of dollars and dramatically increase the care they are able to provide. As discretionary spending grows scarce, this is a common-sense solution that would use federal dollars more efficiently. The Veteran’s Administration and the Department of Defense have already capped their rates for non-hospital providers and CHS programs should be authorized to do so as well.

The GAO report found that this pricing mechanism would have little impact on access to providers, which is already a chronic need in Indian Country. The proposed legislation would require that any provider accepting Medicare to also accept MLR for payments billed to CHS programs. As the GAO report points out, most providers and suppliers already participate in Medicare, and are used to paying Medicare rates for services.

We appreciate the opportunity to offer this letter of support capping all CHS payments at Medicare-Like Rates. Should you have questions or need additional information, please do not hesitate to contact [**INSERT CONTACT NAME]** at [**INSERT CONTACT INFORMATION].**

Sincerely,

[**INSERT NAME AND TITLE**]