

*Testimony of
The Honorable
Thomas M. Sullivan
Chief Counsel for Advocacy*

Before the

*U.S. House of Representatives
Committee on Small Business*

On

CMS: New Name, Same Old Game?

May 16, 2002

9:30 A.M.

Chairman Manzullo and Members of the Committee, good morning and thank you for the opportunity to appear before you today to address how government agencies, specifically the Centers for Medicare and Medicaid Services (CMS), can benefit small business by considering the consequences of their mandates on small employers before they regulate.

On April 10, 2002, I appeared before this committee to testify on the Centers for Medicare and Medicaid Services' (CMS) compliance with the Regulatory Flexibility Act (RFA), and whether such compliance could be expected to resuscitate small healthcare providers. I testified that it was Advocacy's goal that CMS consider more fully the consequences of their regulatory actions on small healthcare providers prior to finalizing their rules as required by the RFA. Advocacy has learned that early intervention with administrative agencies prior to the promulgation of their rules works and serves to minimize the impact of rulemakings on small businesses without compromising the underlying mission or statutory requirements of the agencies. During my closing remarks in April, I indicated a desire and willingness to work with CMS early in its rulemaking process. This, I felt, was consistent with President Bush's vision on how to protect small

businesses from burdensome regulations and Secretary Tommy Thompson's plan to reform the regulatory process within the Department of Health and Human Services.

I am pleased to announce that since my testimony on April 10, my commitment to this Committee to work with CMS has begun to take shape. On April 22, 2002, I met with representatives from CMS and from the Department of Health and Human Services' General Counsel's office. Last week I met with Mr. Ruben King- Shaw, who is CMS's Deputy Administrator and Chief Operating Officer. These meetings helped start a new dialogue between my office and CMS. The meetings focused on general small business issues and data gathering mechanisms. The meetings resulted in a commitment between the Office of Advocacy and CMS to work together in a concerted effort to reduce the impacts associated with CMS's rulemakings on small healthcare providers.

It is my hope that the recent contact between Advocacy and CMS is only the beginning. I look forward to maximizing the new relationships that have been developed since I last appeared before this committee. This can only result in better communication and action between my office and CMS on the issues that are of concern to this Committee.