



Administrator
Washington, DC 20201

MAY 03 2012

The Honorable Charles E. Grassley
United States Senate
Washington, DC 20510

Dear Senator Grassley:

Thank you for your letter regarding the Physician Payments Sunshine Act, which was included as section 6002 of the Affordable Care Act of 2010. As you know, the Centers for Medicare & Medicaid Services (CMS) published a proposed rule, "Medicare, Medicaid, Children's Health Insurance Programs; Transparency Reports and Reporting of Physician Ownership or Investment Interests" on December 19, 2011, with a 60-day comment period, which ended on February 17, 2012. During the comment period, CMS received over 300 comments from a wide range of stakeholders. CMS is committed to publishing a final rule this year. Given the wide range of comments, CMS is drafting the final rule carefully to ensure that the final rule is not only consistent with the statutory goals, but is also responsive to stakeholder comments.

I also appreciate your specific comments regarding the proposed rule, particularly as you are one of the authors of the Physician Payments Sunshine Act. I fully agree with your feedback that the final rule must provide clear requirements to ensure the accuracy of the published data. As CMS works to develop final regulations, data accuracy is a primary concern. CMS is also committed to working with stakeholders throughout the implementation process. Staff has spoken recently at a number of events to provide stakeholders with information on the proposed rule and to better understand stakeholder concerns.

CMS posted the information about the timing for data collection on our website today, so stakeholders are aware that data collection will not be required before January 1, 2013. This information will be posted at:

<http://www.cms.gov/affordable-care-act-in-action-at-cms.html>

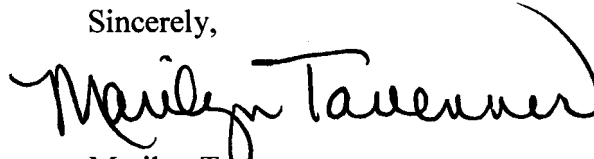
CMS recognizes that it is important for reporting to begin as soon as possible; however, CMS does not believe it will be possible to begin data collection in 2012. In order to collect a sufficient amount of data in 2012 and provide applicable manufacturers with an appropriate time period to prepare for data submission, CMS would have to publish a final rule early in 2012. Given the volume of the public comments received, and the numerous important issues to be clarified and refined in the final rule, CMS does not believe it is feasible to address all of the remaining issues in such a short time period. As a result, while we intend to release a final rule later this year, we will not require data collection by applicable manufacturers and applicable group purchasing organizations before January 1, 2013. This will also provide CMS with additional time to address operational and implementation issues in a thoughtful manner.

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Finally, you inquire about the agency's plan for implementation. CMS has identified a work group for this provision, which includes both technical and policy staff. The work group is currently assessing the staff and resource requirements for full implementation of the program. CMS also plans to issue a request for proposal this year to further aid with implementation.

I commend your leadership on this important issue and assure you that CMS is actively engaged in the implementation of the provision. CMS has dedicated staff working hard to finalize the regulation and determine the best methods and solutions for implementation. Per your request, a staff briefing on the progress to date has been scheduled. I look forward to continued collaboration, and please do not hesitate to contact me with additional questions regarding this matter. I will also provide this response to the cosigner of your letter.

Sincerely,

A handwritten signature in black ink that reads "Marilyn Tavenner". The signature is written in a cursive style with a large, sweeping flourish at the end.

Marilyn Tavenner
Acting Administrator