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*Testimony of
The Honorable
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*U.S. House of Representatives
Committee on Small Business*

*Date: May 16, 2002
Time: 9:30 A.M.
Location: 2360 Rayburn House Office Building
Topic: CMS: New Name, Same Old Game?*

Created by Congress in 1976, The Office of Advocacy of the U.S. Small Business Administration (SBA) is an independent voice for small business within the federal government. The Chief Counsel for Advocacy, who is appointed by the President and confirmed by the U.S. Senate, directs the office. The Chief Counsel advances the views, concerns, and interests of small business before Congress, the White House, federal agencies, federal courts, and state policy makers. Issues are identified through economic research, policy analyses, and small business outreach. The Chief Counsel's efforts are supported by offices in Washington, D.C., and by Regional Advocates. For more information on the Office of Advocacy, visit <http://www.sba.gov/advo>, or call (202) 205-6533.

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.