

**American Hospital Association
American Psychiatric Association
Federation of American Hospitals
National Association of Psychiatric Health Systems**

March 31, 2005

Rick Reeves
Mutual of Omaha
Medicare Division
P.O. Box 1602
Omaha, Nebraska 68101

Dear Mr. Reeves,

Thank you very much for the opportunity to meet with representatives of Mutual of Omaha and the Centers for Medicare and Medicaid Services on March 8, 2005. We feel we had a very important discussion that laid out a protocol for our continuing work with you to initiate the reconsideration process that is required to make Mutual's Inpatient Psychiatric Services Local Coverage Determination (LCD) function appropriately.

We want to restate our understanding of the next steps that were agreed upon during the meeting:

- 1) At your request, the provider groups and the interested parties they represent are submitting a formal reconsideration request (attached);
- 2) As part of the reconsideration request, we recommend that clarifying language be added to the LCD describing its purpose and intent;
- 3) We are establishing an expert clinical advisory panel that will provide Mutual of Omaha with expert medical opinion on the standards of practice in the medical community that should form the basis of the LCD revision;
- 4) We request that Mutual of Omaha withhold implementation of the LCD until our discussions are complete (May 2005). We believe this last point is consistent with the framework of Mutual's authority as granted by the Program Integrity Manual (13.11 (C)), "Contractors have the discretion to revise or retire their LCDs at any time on their own initiatives."

Please find attached a copy of the reconsideration request. Thank you for your responsiveness and consideration. We look forward to hearing from you about the reconsideration request and the clinical advisory panel. Please contact Kathleen McCann, RN, DNSc, at NAPHS if you have questions (kathleen@naphs.org or 202-393-6700, ext. 102).

Sincerely,

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cc: Jackie Stanard, Kansas City Regional Office, Centers for Medicare and Medicaid Services