

Relocating CMS Offices: A Strategic Proposal for Cost Reduction and Regional Growth

KEY TAKEAWAYS

Relocation Aligns with Federal Decentralization Goals: Moving CMS operations to a lower-cost city supports federal efforts to decentralize agencies, reduce operational expenses, and strengthen regional economies, as demonstrated by the success of similar moves.

Cost Savings and Operational Efficiency: Relocating CMS can significantly reduce real estate and personnel costs while accessing broader regional talent pools, enhancing operational efficiency and reinvesting savings into CMS's core mission.

Benefits for Employees and Local Economies: Employees gain improved quality of life with affordable housing and reduced financial stress, while host cities benefit from economic growth, innovation, and stronger federal engagement.

Closer Proximity to Key Stakeholders: Moving CMS to regions with high Medicare and Medicaid utilization fosters a deeper understanding of local healthcare challenges and builds trust with the communities CMS serves.



INTRODUCTION

The Centers for Medicare & Medicaid Services (CMS) operates primarily out of cities with high real estate and living costs, leading to inflated operational expenses and inefficiencies. The current centralized model misses opportunities to reduce costs, diversify regional engagement, and align with federal efforts to decentralize government functions.

PROPOSED REFORM

Relocate CMS operations to a city with lower costs of living and robust infrastructure, aligning with federal initiatives to decentralize agencies, reduce operational expenses, and stimulate regional economic development. Cities with affordable housing, access to a skilled healthcare workforce, and growing economies can support CMS's mission while providing significant financial and operational benefits.

RATIONALE

1 Alignment with Federal Decentralization Goals

- The Trump Administration spearheaded efforts to move federal agencies out of expensive urban centers like Washington, D.C., to reduce costs and strengthen regional economies. Relocating CMS reflects this vision, mirroring the success of moves like parts of the USDA to Kansas City.

2 Cost Savings and Efficiency

- Office rental costs and federal salaries are often tied to the cost of living in the city where operations are based. By moving CMS to a more affordable city, significant savings could be achieved in real estate, personnel expenses, and operational costs.
- Decentralization enables CMS to tap into a broader and often untapped regional talent pool, including healthcare professionals, data analysts, and technologists who may find relocating to high-cost areas prohibitive.

KEY BENEFITS

1 For Federal Employees

- Relocation to a city with a lower cost of living improves employees' quality of life, offering affordable housing, shorter commutes, and reduced financial stress.
- Greater flexibility for federal workers to achieve a better work-life balance in cities with fewer urban challenges.

2 For CMS Operations

- Access to a skilled and growing workforce in healthcare, technology, and business from regions that may not traditionally supply talent to high-cost cities.
- Financial savings reinvested into CMS's core mission to enhance Medicare and Medicaid services.

3 For New Locations

- Enhanced federal presence boosts local economies by creating high-quality jobs and fostering innovation in public-private healthcare initiatives.
- The relocation brings CMS closer to communities most affected by its policies, providing a better understanding of regional needs and fostering trust in federal healthcare systems.

POTENTIAL RELOCATION DESTINATIONS

Cities like Columbus, Ohio, or Kansas City, Missouri, are ideal candidates for CMS relocation due to their affordability, infrastructure, and existing ties to healthcare and technology sectors. Columbus, for example, offers:

- Affordable housing and office space.
- Access to a growing healthcare workforce from institutions like Ohio State University.
- Proximity to key regions with high Medicaid/Medicare utilization, fostering better insights into local healthcare challenges.

CALL TO ACTION

Relocating CMS offices offers a rare opportunity to align federal initiatives with operational efficiencies and economic development. By choosing a city with the right mix of affordability, infrastructure, and workforce, CMS can enhance its mission, achieve substantial cost savings, and bring federal services closer to the people it serves.

