



TEXAS HOSPITAL ASSOCIATION

November 8, 2011

Thomas Suehs,  
Executive Commissioner  
Texas Health and Human Services Commission  
4900 N. Lamar Blvd.  
Austin, TX 78751

*Sent via email*

Dear Commissioner Suehs:

On behalf of Texas hospitals statewide, the Texas Hospital Association appreciates and supports strongly your decision to create a Medicaid Disproportionate Share Workgroup. THA member hospitals look forward to working with the agency to evaluate payments made through the Medicaid DSH program. **Texas hospitals support a Medicaid DSH program that is straightforward, transparent and equitable.** Texas hospitals support a DSH program that best addresses the core program objective, which is to help mitigate the costs that hospitals incur in providing care to the state's Medicaid and uninsured patients.

Texas hospitals understand that change in the Medicaid program is a given, and THA supports your efforts in overseeing the much-needed change. Over the next two years, Texas hospitals will need to adapt to a number of major initiatives initiated by the commission, including:

- Expanding Medicaid managed care statewide;
- Reforming the way hospitals qualify for and receive Medicaid supplemental payments;
- Reducing payment rates to hospitals across-the-board;
- Twice reforming the method used to reimburse hospitals for inpatient care; and
- Implementing other quality-based payment initiatives.

Both public and private hospitals across the state provide enormous amounts of care to Medicaid and the uninsured. Medicaid DSH payments help these hospitals offset a portion of the cost of providing that much-needed care. The workgroup and THHSC need to develop a solution that ensures that funding for the state's Medicaid DSH program is maintained. The workgroup and THHSC should **develop a plan that encourages and incentivizes the public hospitals** to continue participation in the DSH program and **ensures that all DSH hospitals have continued access to Medicaid DSH funds.**

Thanks again for your leadership on this issue, and please call me at 512/465-1012 if you have any questions or need additional information.

Sincerely

Dan Stultz, M.D., FACP, FACHE  
President/CEO  
Texas Hospital Association



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cc. Kevin Nolting, Texas Health and Human Services Commission