

April 21, 2021

Gov. Greg Abbott, Lt. Gov. Dan Patrick, Speaker Dade Phelan and Members of the Texas Legislature:

On behalf of our more than 450 member hospitals and health systems, the Texas Hospital Association requests your support to increase access to comprehensive health coverage for vulnerable Texans. Texas hospitals support the smart, budget-neutral solution offered by a bipartisan group of state lawmakers to shrink Texas' coverage gap and use federal funding to cover most of the cost.

Hospitals' support of coverage expansion has remained steadfast and unwavering since the inception of the Affordable Care Act. Creating expanded access to comprehensive coverage for low wage working Texans is critical. Likewise, Texas needs a strong safety net to cover those who won't have access to expanded coverage. The federal government's recent rescission of Texas' 10-year Medicaid 1115 Waiver extension is devastating to the state's health infrastructure. We are deeply disappointed to lose an extension of that magnitude and value. Texas' 10-year waiver extension, worth \$100 billion, was hard-fought and critical for the health of Texas. Upending the stability of the health care safety net to try to force Medicaid expansion is imprudent and unwise. Any assumptions that hospitals' support of coverage expansion hinged on the waiver extension are misguided and categorically false. Coverage expansion and an 1115 waiver should work together for Texans. We need both.

In a state as large and demographically diverse as Texas, a one-size-fits-all approach—waiver only or coverage expansion only—is insufficient to meet the unique health care needs of every person in Texas. Texas needs big solutions. Expand coverage for the 1 million low wage working Texans and support a strong uncompensated care pool to ensure care for the nearly 4 million Texans who still would not qualify even with expanded Medicaid eligibility.

Texas hospitals are committed to working with state and federal partners to protect the health care safety net—through efforts to both expand health care coverage and address the loss of the waiver extension. We must act now. With the waiver rescission, the state lost more than \$500 million a year for critically needed behavioral health care and public health services to support our growing population. Payments totaling \$600 million a year for doctors, \$20 million a year for rural health clinics, \$150 million a year for ambulance providers and \$1 billion a year for nursing home providers are now uncertain. The health care safety net simply cannot sustain these devastating blows and ensure necessary care amid the ongoing pandemic.

We look forward to continuing to work with you to protect Texas' health care safety net. Thank you for all that you do to make Texas the greatest state in the nation.

Sincerely,



Ted Shaw
President/CEO
Texas Hospital Association