



October 28, 2021

Sent via email

To the Members of the Texas Congressional Delegation:

On behalf of the seven not-for-profit, comprehensive children's hospitals that are members of the Children's Hospital Association of Texas, I am updating the delegation on the status of negotiations between the Centers for Medicare and Medicaid Services (CMS) and the Texas Medicaid agency regarding the 1115 Medicaid waiver and the state's proposed directed payment programs. Unfortunately, since Texas submitted its September 7, 2021, response to CMS regarding a path forward on these programs, we remain at an impasse. And there is no deadline by which these issues must be resolved.

Almost four million children in Texas are covered by Medicaid – about half the kids in the state. One out of every 10 children in the U.S. lives in Texas. Consequently, comprehensive children's hospitals are heavily reliant on Medicaid funding. We estimate that our member hospitals are losing almost \$900,000 every day that CMS fails to accept the September 7 offer from Texas. That \$900,000 would pay 10 neonatal ICU nurses' annual salaries.

To ensure that CMS is aware of the impact on children and the providers that serve them, we submitted the attached letter to Director Daniel Tsai yesterday. We understand that the Director responded to a prior letter from all of the hospital associations by hoping to schedule a meeting with the associations during the week of November 8. While we are grateful for the opportunity to meet with the director, between now and then, our member hospitals will have lost at least another \$12 million. That sum would pay for 22 heart transplants for kids.

We respectfully request that the Texas congressional delegation ask for a briefing with CMS on the status of these negotiations and how CMS will address the adverse impact that this delay is having on children in Texas and the providers that serve them.

Children's hospitals cannot continue to provide the current level of service without adequate funding. The continuing uncertainty and loss of funding will result in children's hospitals having to make hard decisions about what services to continue and which to suspend or curtail.

We appreciate your assistance with this important issue and are happy to answer any questions or provide more information that you require.