



July 26, 2021

The Honorable Xavier Becerra
Secretary
U.S. Department of Health and Human Services
200 Independence Ave. SW
Washington, DC 20201
Xavier.becerra@hhs.gov

The Honorable Chiquita Brooks-LaSure
Administrator
Centers for Medicare and Medicaid Services
U.S. Department of Health and Human Services
200 Independence Ave. SW
Washington, DC 20201
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The Honorable Daniel Tsai
Deputy Administrator and Director of Medicaid and CHIP Services
Centers for Medicare and Medicaid Services
U.S. Department of Health and Human Services
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Dear Secretary Becerra, Administrator Brooks-LaSure and Director Tsai:

We are writing on behalf of our memberships to seek your support and expedient approval of preprints for Texas' Directed Payment Programs currently under review at the Centers for Medicare and Medicaid Services. These programs are tried and true templates that CMS has approved in other states and are necessary to maintain the existing health care safety net in Texas. The programs would collectively provide critical and necessary funding to support Texas' healthcare delivery system.

Per the existing section 1115 terms and conditions, Texas is obligated to terminate and transition its Delivery System Reform Incentive Payment program in the final year of the existing waiver. The approval and implementation of Texas' DPPs are, therefore, the next step in the transition of Texas' successful DSRIP program. The DPPs build on DSRIP successes and are designed to ensure the maintenance and sustainability of care delivery for hospitals, skilled nursing facilities, physicians, rural health clinics and

behavioral health providers that serve Texas' most vulnerable populations. The exact programs under consideration are:

- Comprehensive Hospital Increased Reimbursement Program \$5 billion
- Nursing Home Quality Incentive Payment Program \$1.1 billion
- Texas Incentives for Physicians and Professional Services \$600 million
- Rural Access Primary and Preventive Services \$11 million
- DPP for Behavioral Health Services \$173 million

The programs will integrate with the Texas managed care delivery model and these directed payments will support the Medicaid provider network and ensure provider participation for millions of Texas patients. Additionally, consistent with the quality and care innovation goals established through DSRIP, the proposed DPPs will include reporting metrics and milestones to measure their sustainability and this accountability will further improve quality, equity and innovation in care delivery and reward collaboration and partnerships among local providers.

As part of this DSRIP transition plan in the existing waiver's final year, the state has asked for approval of the DPPs so that they begin on September 1, 2021. To effectuate implementation through the state's managed care system, the programs need to be approved before August 2. Without CMS approval of these programs by that date, the Texas health care system will lose billions of dollars in necessary and essential healthcare funding intended to help Texas providers serve our most vulnerable patients. That loss of funding would be devastating for Texas health care patients and providers.

We urge you to continue your work with the Texas Health and Human Services Commission to expeditiously approve the state's DPP proposals. These programs are essential to ensuring a sustainable safety net for the communities we serve each day. If you have any questions, please feel free to contact John Hawkins at the Texas Hospital Association at 512-465-1000.

Sincerely,



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Texas Hospital Association



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Teaching Hospitals of Texas



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