



October 26, 2021

Mr. 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
200 Independence Ave. SW
Washington, DC 20201

Daniel.tsai@cms.hhs.gov

Re: Status of Texas's 1115 Waiver and Directed Payment Programs

Dear Director Tsai:

I write to you today on behalf of the children and families who are served by the seven not-for-profit, comprehensive children's hospitals that are members of the Children's Hospital Association of Texas (CHAT). Children make up 75% of the Medicaid enrollees in Texas, with Medicaid providing coverage for most of the children with medically complex conditions. Often, the only place that those children can get the life-saving and life-sustaining care that they need is at a comprehensive children's hospital. Our member hospitals are uniquely focused on children, resulting in their ability to diagnose and treat pediatric conditions more quickly and effectively than other hospitals. Comprehensive children's hospitals are also integrated delivery systems for children and their families, meaning that parents can ensure that their children have access to primary, specialty, and mental health care at one place.

CHAT wants to provide additional information about the impact that the delay in resolving issues between the State of Texas and the Centers for Medicare and Medicaid Services (CMS) has on our patients and their families. With the loss of funding that began on September 1, 2021, our member hospitals have lost a combined \$900,000 each day, assuming Uniform Hospital Rate Increase Program (UHRIP) funding at the program year four level. Given the importance of Medicaid funding for children's hospitals, this loss will be felt by our patients and their families. Without this funding, children's hospitals will be forced to make difficult decisions about which services they can no longer provide or what staff they can no longer recruit or retain. For example, this combined funding loss would pay more than 525 neonatal intensive care unit (NICU) nurses' annual salaries or pay for 90 pediatric heart transplants.

We urge you to approve the State's September 7, 2021, request and the revised directed payment program pre-prints as soon as possible. To that end, CHAT supports the October 25, 2021, multiple Texas hospital associations' request for a meeting with you and your staff to discuss this issue further. CHAT and its members are also available for a separate conversation focused solely on children, families, and children's hospitals.

Thank you in advance for your prompt attention to this matter.

Sincerely,

A handwritten signature in black ink that reads "Stacy E. Wilson". The signature is written in a cursive, flowing style.

Stacy E. Wilson
President