

June 12, 2023

Ms. Diona Kristian  
Centers for Medicare and Medicaid Services  
Center for Medicaid and CHIP Services  
Division of State Demonstrations and Waivers  
7500 Security Boulevard  
Mail Stop S2-25-26  
Baltimore, MD 21244-1850

**Re: Pending Application – Modification to Second Reassessment of Uncompensated Care Pool Program**

Dear Ms. Kristian:

Texas Hospital Association supports the Texas Health and Human Services Commission's (HHSC) proposal to amend THTQIP STC 41(d) *Reassessment of Hospitals' Uncompensated Care in 2027*. The amendment would modify the year of Medicaid claim and encounter data maintained by Texas used in the re-sizing from 2023 to 2025. We agree with HHSC the use of data affected by the federal public health emergency and continuous coverage period, which was not contemplated in the original waiver extension, could have unintended consequences on this exercise.

Prior to the beginning of continuous coverage unwinding, Texas was carrying about 2 million more Medicaid enrollees than in March 2020. We expect many of these enrollees would otherwise be uninsured if not for Medicaid's continuous coverage requirement, which prevented Texas from disenrolling those no longer meeting Medicaid eligibility criteria. Re-sizing the uncompensated care (UC) pool based on a year of abnormally high Medicaid enrollment and utilization may overstate expected Medicaid payments to hospitals, while understating expected costs of uncompensated charity care eligible for reimbursement from the UC pool. As a result, the available funding in the UC pool starting in FY 2027 would fall short of amounts needed to offset future uncompensated charity costs. The shortfall would persist through FY 2030, the end of the current THTQIP extension.

THA hopes this outcome can be avoided by changing the data year used in re-sizing to 2025, which will reflect more typical Medicaid caseloads and utilization patterns. This sensible modification will ensure hospitals serving our state's uninsured will be able to rely on a UC pool appropriately sized to their volume of uncompensated charity care. We appreciate HHSC taking early action to address this issue and encourage CMS to approve this request.

Thank you for your consideration of these comments. Should you have any questions, please do not hesitate to contact me at [astelter@tha.org](mailto:astelter@tha.org) or 512-465-1556.

Respectfully submitted,



Anna Stelter  
Senior Director, Financial Policy  
Texas Hospital Association