

Congress of the United States

Washington, DC 20515

September 27, 2023

The Honorable Xavier Becerra
Secretary, U.S. Department of Health &
Human Services
200 Independence Avenue, SW
Washington, DC 20201

The Honorable Chiquita Brooks-LaSure
Administrator
Centers for Medicare & Medicaid Services
Department of Health and Human Services
Hubert H. Humphrey Building
200 Independence Ave., SW Washington,
DC 20201

The Honorable Daniel Tsai
Deputy Administrator and
Director
Center for Medicare & Medicaid Services
U.S. Department of Health and Human Services
200 Independence Ave., SW
Washington, DC 20201

Dear Secretary Becerra, Administrator Brooks-LaSure, and Deputy Administrator and Director Tsai:

Thank you for your tireless efforts to ensure access to care for our most vulnerable communities. We write today to express growing concerns over the May 3, 2023 proposed rule entitled “Medicaid Program; Medicaid and Children’s Health Insurance Program (CHIP) Managed Care Access, Finance, and Quality”.

Medicaid is a vital program for Americans, especially many elderly and disabled adults as well as pregnant women and millions of children. In Texas, nearly 6 million people depend on Medicaid for access to health care.


While we appreciate the need to ensure the fiscal and legal integrity of the program, we remain concerned that a rule that requires changes to the Medicaid financing structure in Texas could not merely interrupt, but effectively eliminate Medicaid coverage for our state’s most vulnerable populations. This risk is particularly acute and would be particularly devastating at this time, when following the end of the Public Health Emergency, redetermination efforts have resulted in the loss of coverage for many Texans. The threats to access that these changes present simply cannot be sustained by the Texans who need them the most. As of July 2023, more than half a million Texans have lost their Medicaid coverage, and we stand committed to ensuring that there are no further unnecessary interruptions to care for Texans who rely on Medicaid.

We understand that with this proposed rule CMS hopes to address its concerns about the use of provider taxes known as Local Provider Participation Funds (LPPFs) to provide the non-federal share of the proposed hospital directed payment programs (DPPs) and other Texas Medicaid supplemental payment programs. As you know, all states except for Alaska have at least one provider tax in place and rely on these systems as a crucial part of their Medicaid financing structure.¹

LPPFs are a vital part of our health care safety net in Texas, particularly in areas of the state, including the southern border region and the 89 Texas counties where Medicaid patients are primarily served by non-governmental hospitals, and where Medicaid beneficiaries already have limited access to care. Further, it is our understanding that current LPPF arrangements are private arrangements with no state involvement.

For these reasons, we have deep concerns about continued access to care for people in Texas. We ask that before moving forward with this proposed rule, you work with the Texas Health and Human Services Commission and with the hospitals that administer this care to ensure it will not have a negative impact on Texans' ability to access Medicaid. We stand ready to assist in any way to facilitate these conversations and to ensure that these concerns are addressed.


Sincerely,




Marc A. Veasey
Member of Congress




Lizzie Fletcher
Member of Congress




Colin Z. Allred
Member of Congress




Henry Cuellar
Member of Congress



Jasmine Crockett
Member of Congress



Vicente Gonzalez
Member of Congress



Veronica Escobar
Member of Congress



Sheila Jackson Lee
Member of Congress

¹<https://www.kff.org/medicaid/issue-brief/medicaid-financing-the-basics/>