DALLAS COUNTY JUDGE CLAY LEWIS JENKINS

November 10, 2021

Sent via email.

Dear Director Brooks-LaSure, Deputy Administrator Tsai and Director Cash:

Thank you for your ongoing work in support of the residents of Texas and Dallas County. As you know, Texas remains heavily uninsured, despite gains through the Marketplace under the Affordable Care Act. Without Medicaid expansion, many in our communities remain uncovered, relying on access through our local public hospital and clinics, Federally Qualified Health Centers, and private providers. For many of these providers, federal support through the Medicaid 1115 waiver and supplemental payment programs have been an important funding source.

I write in support of continued communication with the Texas Health and Human Services Commission (HHSC) to avoid further reductions in Medicaid payments to the safety net providers that serve the Texas Medicaid population. As you know, many of Texas' hospitals are already going without the Uniform Hospital Rate Increase Program (UHRIP) payments which expired on August 30. Hospitals are also now without the Delivery System Reform Incentive Program (DSRIP) payments which expired on September 30. While we understand that the Centers for Medicare & Medicaid Services (CMS) offered to extend UHRIP and DSRIP for an additional year, related negotiations between CMS and HHSC are ongoing, and the section 1115 waiver litigation and delays in directed payment program approval have resulted in uncertainty for providers in our community.

Medicaid provides health coverage for 1 of every 12 adults, 2 out of every 5 children, and 5 out of every 8 nursing home residents statewide, and our Medicaid providers are on the front lines in our ongoing battle with COVID-19. In Dallas County, home to over 2.6 million Texans, 22 percent of the county's total population is Black or African American and 41 percent are of Hispanic or Latino origin. These populations are more uninsured and more likely to receive care through Medicaid or other programs funded in partnership with CMS. Locally, we are strongly committed to improving access in our community through the local hospital district, Medicaid, and the supplemental payment programs.

Notably, much of the care provided to Medicaid beneficiaries and uninsured patients is funded in large measure by Medicaid supplemental payments and Medicaid managed care directed payments authorized by the state's 1115 waiver and directed payment programs. While states are obligated to provide 40 percent of the state's non-federal share through state general revenue, up to 60 percent may come from local governments. Texas has relied on locally adopted and administered Medicaid provider taxes to fund the non-federal share of these vital supplemental

payment programs. Dallas County has administered such an assessment, known as a Local Provider Participation Fund - since 2018. The local assessment along with Parkland's intergovernmental transfers are essential to funding the non-federal share of the Medicaid payment programs that ensure the solvency and sustainability of the Medicaid providers in our community.

I greatly appreciate CMS' ongoing efforts to work with HHSC to ensure the section 1115 waiver and resolve concerns related to the directed payment programs to allow Texas Medicaid beneficiaries continue to receive the care they need. In this process, we urge that you to also keep the immediate needs of health care providers in mind. We of course support an appropriate resolution of the disputed issues in a manner that will preserve the long-term financial stability of the Texas Medicaid program. However timely relief is critical, and solutions that allow payments to Medicaid providers to resume sooner rather than later while other disputed issues are appropriately resolved. While CMS negotiates these waiver provisions with Texas, we ask for your timely approval of the State Plan Amendment (SPA) for the fee for service rate increases submitted by HHSC. Those payments will offset ongoing provider losses in the Medicaid fee for service program and sure up losses related to delayed supplemental payments for public safety net providers via a straight forward SPA while the more extensive waiver negotiations progress.

Again, I thank you for your efforts to maintain payments to Medicaid providers that serve low-income Texans and we urge you to continue those efforts and keep the immediate needs of those providers in mind.

Sincerely,

Clay Lewis Jenkins

Dallas County Judge