MARC A. VEASEY
33RD DISTRICT, TEXAS

COMMITTEE ON ENERGY AND COMMERCE
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SUBCOMMITTEE ON MILITARY PERSONNEL

Congress of the United States
House of Representatives
Washington, DC 20515–4333

December 2, 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
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Honorable Daniel Tsai
The Deputy Administrator and Director
Center for Medicaid and CHIP Services
Centers for Medicare and Medicaid Services
U.S. Department of Health and Human Services
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The Honorable Anne Marie Costello
Deputy Director
Center for 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, Deputy Administrator Tsai, and Deputy Director Anne Marie:

As you may be aware, Texas is seeking approval for a Medicaid waiver renewal, as well as several associated Medicaid managed care directed payment initiatives (DPPs). The approval of new DPPs and the successful renewal of existing waivers are critical to sustaining access to health care services and lowering health inequalities for Medicaid enrolled and uninsured people across the state. As a result, I'm concerned about the continued delays in issuing waiver renewals and DPPs.

For the last 10 years, Texans seeking access to care have directly benefited from Texas' Medicaid waiver and DPPs, particularly those living in underserved communities. For the past four years, a critical component of our state's safety net has been the annual financial support from the Uniform Hospital Rate Increase Program (UHRIP) and the Quality Incentive Payment Program (QIPP). These programs and related funds expired on August 31, 2021. Many of the same providers also benefited from the Delivery System Reform Incentive Payment (DSRIP) program, which expired on September 30, 2021. The extension of UHRIP, QIPP, and DSRIP, as well as the approval of other new payment programs, threatens to undo many of the gains made during the waiver's life in terms of increasing access to healthcare for the most vulnerable, and threatens to further entrench longstanding disparities in health outcomes for underserved populations in Texas' urban and rural communities.

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Specifically, CMS has highlighted concerns regarding the use of Local Provider Participation Funds (LPPFs) to provide the nonfederal part of the planned hospital DPP and other Texas Medicaid supplemental payment schemes during its study of Texas' proposed DPPs. LPPFs are fully compliant local Medicaid provider taxes, as specified by federal statute and regulation, and are an important part of Texas' health-care safety net, particularly in places where public hospitals are not available. By allowing local governments to contribute the nonfederal share required to properly finance critical Medicaid supplementary payments, the LPPFs improve access to care across the state.

I stand ready to assist the Administration in reaching an agreement with the state. CMS and HHSC must agree on a temporary solution while continuing to work on a long-term demonstration waiver renewal. While over a million uninsured Texans may acquire coverage because of Democrats' unshakable commitment to extending health-care coverage in the state, over 3 million will remain uninsured, making these financing sources even more vital to guaranteeing access to care and needed resources. The health and well-being of Texas' Medicaid and uninsured people are dependent on CMS and HHSC coming to an agreement to keep our safety net in place.

Sincerely,

Marc Veasey
Member of Congress