October 25, 2021

The Honorable Xavier Becerra
Secretary
U.S. Department of Health and Human Services
Hubert H. Humphrey Building
200 Independence Avenue, SW
Washington, DC 20201

Chiquita Brooks-LaSure
Administrator
Centers for Medicare & Medicaid Services
Department of Health and Human Services
7500 Security Boulevard
Baltimore, MD 21244

Daniel Tsai
Deputy Administrator
Centers for Medicare & Medicaid Services
Department of Health and Human Services
7500 Security Boulevard
Baltimore, MD 21244

Judith Cash
Director
State Demonstrations Group
Centers for Medicare & Medicaid Services
Department of Health and Human Services
7500 Security Boulevard
Baltimore, MD 21244

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

The undersigned members of the Starr County, Texas Commissioners Court and Starr County Indigent Care Director write to support your ongoing efforts to work 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 substantial uncertainty and consternation for critical 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 Starr County, home to nearly 66,000 Texans, 98% of the county's total population are of Hispanic or Latino origin. As leaders of Starr County, we are strongly committed to supporting the Medicaid and underserved populations living in our community. Medicaid and the long standing local indigent care program are essential life lines for many Texas citizens and the health care safety net providers that serve those citizens. This is particularly true in areas of the state, including Starr County with large numbers of low-income citizens.

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 long relied on locally adopted and administered Medicaid provider taxes to fund the non-federal share of these vital supplemental payment programs. Starr County has administered such an assessment, known as a Local Provider Participation Fund - since [INSERT YEAR]. The local assessment is not only compliant with all applicable federal Medicaid requirements, but is also essential to funding the non-federal share of Medicaid payment programs that ensure the solvency and sustainability of the Medicaid providers in our community.

We greatly appreciate CMS' ongoing efforts to work with HHSC to ensure the section 1115 waiver and directed payment programs 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 we support solutions that allow payments to Medicaid providers to resume sooner rather than later while other disputed issues are appropriately resolved.

Again, we 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,

Eloy Vera, Starr County Judge

Jose Francisco "Kiko" Perez,
Commissioner Pct. 1

Raul "Roy" Pena
Commissioner Pct. 2

Eloy Garza
Commissioner Pct. 3

Ruben D. Saenz
Commissioner Pct. 4