



Oct. 25, 2021

Mr. Daniel Tsai  
Deputy Administrator and Director of Medicaid and CHIP Services  
Centers for Medicare & Medicaid Services  
U.S. Department of Health and Human Services  
200 Independence Ave. SW  
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Dear Director Tsai:

We write as a follow-up to our Oct. 1 letter to again request that the Centers for Medicare & Medicaid Services grant swift approval to programs that will keep Texas' health care safety net funded for FY 2022. **This time, we also kindly request a meeting with CMS leadership.** The hospitals we represent are among the 418 Texas hospitals affected by the delay in approvals for the estimated \$6.6 billion at risk this year alone. These delays are denying Medicaid funding needed to support safety net care services during a national emergency period when both Medicaid caseloads and provider labor costs have skyrocketed. We look forward to working with you and the state to continue to identify and implement successful delivery system support and innovation programs.

We support HHSC's request to move forward with the UHRIP and QIPP programs as well as the one-year extension of DSRIP. As you know, implementing these programs requires an operational runway since even after CMS approves these programs and related funding, the funding delays will continue as implementation processes move forward. One and one-half months of delays since the beginning of our state fiscal year will quickly slip into a full fiscal quarter or longer of delayed payments to hospitals, long term care facilities, behavioral health facilities and other Texas providers.

All sectors of Texas' health system are affected by these delays, including the care our members provide, from prenatal care through long term supports and services and palliative and hospice care. Our urban hospitals, our rural hospitals, our children's hospitals, our safety net hospitals, skilled nursing

facilities, physician groups, rural health clinics, public health and local health departments, as well as community mental health centers are affected by these ongoing delays in approval.

Rest assured that Texas providers do not see approval of these programs as in conflict with also having more widespread health coverage in Texas. Texans need both. However, your approval of these programs is needed to help stabilize our delivery systems in the short and near term.

We therefore renew our request that **CMS promptly take the following actions to permit Texas to implement programs CMS previously indicated would be acceptable for SFY 2022:**

- Immediately approve a one-year, \$3.3 billion continuation of UHRIP at SFY 2021 rates upon receipt of a modified preprint;
- As soon as practical after fulfilling public notice and comment requirements, approve a waiver amendment to extend DSRIP in the amount of \$2.49 billion for DY 11. Work collaboratively with Texas to select new health equity measurements that will be reasonable to implement in a short time frame, as 20% of DY 11 DSRIP payments will be tied to these new measures; and
- Continue discussions to achieve final approval of the pending state-directed payment programs, including acknowledging the historically approved, legal, and absolutely essential financing mechanisms like local provider participation funds used here in Texas and elsewhere around the nation.

We sincerely appreciate CMS and HHSC's willingness to collaborate on long-term solutions to transition DSRIP and improve the state's Medicaid program, while ensuring gaps in critical safety net funding are resolved quickly. With your approval of Texas' temporary programs, health care providers can continue to carry out their mission to care for the state's most vulnerable populations while CMS and HHSC chart a path forward.

Our organizations are eager to meet virtually or in person with your team to discuss this matter. Please feel free to contact John Hawkins at the Texas Hospital Association at 512-465-1000 to determine availability to meet.

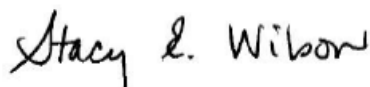
Kind regards,



Ted Shaw  
President/CEO  
Texas Hospital Association



Maureen Milligan  
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Teaching Hospitals of Texas



Stacy Wilson  
President  
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