



Texas Association  
of Voluntary  
Hospitals

March 25, 2020

Mr. Phil Wilson, Executive Commissioner

Ms. Victoria Ford, Acting Chief Operating Officer, Chief Policy and Regulatory Officer

Ms. Stephanie Muth, Deputy Executive Commissioner, Medicaid and CHIP Services

Texas Health and Human Services Commission

4900 N. Lamar Blvd.

Austin, TX 78751

Commissioner Wilson, Ms. Ford, and Ms. Muth,

As representatives of providers on the front lines during this state and national health emergency, we ask that HHSC seek changes immediately in the existing 1115 waiver to achieve:

- Continued DSRIP funding in this current waiver year (DY 9) and in DY 10 to DSRIP providers even if metrics for services provided during the national emergency period do not meet metrics previously set for payment;
- Continuation of funding in DY 11 (FFY 2022) to current providers at the same level that is now flowing through the DSRIP program; and
- Continued support in DY 11 (FFY 2022) to uninsured Texans as currently provided through DSRIP programs.

HHSC should request changes to the waiver Standard Terms and Conditions to achieve these objectives based on the following:

This unprecedented health emergency is altering delivery system priorities and preparedness for all Texas providers including current DSRIP providers. Continuation of funding at historical levels both in the current year (DY 9), and in Texas' "Gap Year" (DY 11 or FFY 2022) is critical to avoid further disruption to the system's financing and preparedness.

Neither providers, nor state agencies, nor CMS has the bandwidth to shift focus from emergency health care needs to develop and implement a DSRIP program transition as currently envisioned for the Gap Year in advance of Waiver III negotiations.

DSRIP metrics for this current year will be significantly skewed by the emergency conditions providers are facing to save lives and limit the health and economic impacts of the pandemic emergency. Providers should not be penalized by factors outside their control (e.g., and as identified in the CMS Healthy Adult Opportunity exemptions) as they respond to the emergency.

The current pandemic is anticipated to continue for months and recur without resolution in the foreseeable future. We therefore recommend the following approaches with CMS depending on an assessment of feasibility and likelihood of approval:

- 1) Request an extension of the current DSRIP program through DY 11 (FFY 2022) at state funding levels equal to current year funding levels; and with funds allocated to providers based on current year allocations.
- 2) If CMS refuses this request, seek approval of directed payments to current providers with payments excluded from HSL consideration for those providers typically subject to HSL for purposes of UC and DSH; and identify payment mechanisms for other existing DSRIP providers (e.g., public health departments); e.g., through delivery system reform payments that are not counted for purposes of HSL calculations. These delivery system reform directed payments could include system preparedness infrastructure and programs measured using baselines in effect prior to declaration of the COVID-19 emergency this year.

Neither Texas' delivery system nor its DSRIP providers can sustain losses during a National emergency without substantial risk to Texans and the well-being of communities across our state. On behalf of our providers, we thank you for your consideration of this request.

Sincerely,



Maureen Milligan  
President/CEO  
Teaching Hospitals of Texas



Ted Shaw  
President/CEO  
Texas Hospital Association



Danette Castle  
CEO  
Texas Council of Community Health Centers



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