



TEACHING HOSPITALS *of* TEXAS

THOT MEMBERS

August 25, 2021

AUSTIN

Central Health
Dell Seton Medical Center at
The University of Texas

The Honorable Xavier Becerra
Secretary of Health and Human Services
U.S. Department of Health and Human Services
200 Independence Ave., S.W.
Washington, DC 20201

CORPUS CHRISTI

Nueces County Hospital District

DALLAS

Children's Health System of Texas
Parkland Health & Hospital System
The University of Texas Southwestern
Medical Center

The Honorable Chiquita Brooks-LaSure
Administrator
Center for Medicare and Medicaid Services
200 Independence Ave., S.W., Room 445-G
Washington, DC 20201

EL PASO

University Medical Center of El Paso

GALVESTON

The University of Texas Medical Branch

Mr. Daniel Tsai
Deputy Administrator and Director of the Center
for Medicaid and CHIP Services
Centers for Medicare & Medicaid Services
Department of Health and Human Services
7500 Security Boulevard
Baltimore, MD 21244

HOUSTON

Harris Health System
The University of Texas M.D. Anderson
Cancer Center

LUBBOCK

UMC Health System of Lubbock

MIDLAND

Midland Health

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

ODESSA

Medical Center Health System

On behalf of the Teaching Hospitals of Texas, and the patients our
members serve, we write to urge your approval of Texas' 10-year
application for an 1115 waiver extension under the standard terms and
conditions approved by CMS in January 2021.

SAN ANTONIO

University Health System

TYLER

The University of Texas Health Science
Center at Tyler

We appreciate CMS's work the last few months of 2020 to successfully
negotiate the 1115 waiver extension. Related to the subsequent rescission
and additional public input process, we offer comments on the following
topics: appreciation for CMS and Texas HHSC's work on the waiver
renewal; Texas' need for both a coverage program for the uninsured AND
the waiver extension as originally approved by CMS; the importance of a
robust uncompensated care (UC) pool; use of UC funding by our members
(most of our members provide the majority of their services in outpatient

GME Affiliate

RIO GRANDE VALLEY - EDINBURG
Doctors Hospital at Renaissance

Policy Affiliate

AUSTIN

Dell Medical School at the University of
Texas Austin

settings: not in the ED); the importance of programs and flexibilities to empower local communities and providers to have direct input on health programs in their communities; and our concurrence with other comments you may have received regarding our commitment to and support for acknowledging individual dignity and the optimal health of all Texans.

First, we appreciate CMS and Texas HHSC's work negotiating the originally approved waiver extension that has been re-submitted. That waiver provided several outcomes critical to Texas' safety net and health systems including:

- Providing health system stability and financial predictability which enable health care providers to more reliably budget and plan for program operations and innovation.
- Capturing budget neutrality room to ensure payments are adequate to support healthcare in Texas and incentivize quality improvements.
- Maintaining access to behavioral health (BH) services for uninsured Texans and avoiding gaps in access by funding care starting October 1, 2021. (Under the recission, more than \$300 million and related services made available only through waiver are now unavailable.)
- Maintaining public health department (PHD) uninsured care services with funding of an estimated \$100 million; (Those funds, originally available October 1, 2021, are no longer available under the recission.) and
- Maintaining the existing Uncompensated Care pool which is a critical part of Texas' healthcare system, particularly for the super safety nets doing the largest share of care for uninsured Texans, including the 4 million Texans ineligible for a Medicaid expansion.

Texas HHSC-CMS agreements on budget neutrality were a key success and forestalled the loss of billions in funding through DSRIP as funds transition into Directed Payment Programs (DPPs). Going forward maintaining predictable, sustainable funding and access to federal funding is important to planning and continuing healthcare programs and access in Texas.

Second, Texas needs both the waiver extension as negotiated, AND a Medicaid or Texas-style coverage program for Texans who are uninsured. Coverage and the Waiver Extension are not mutually exclusive; both are needed, and we urged CMS to approve the extension request while Texas HHSC works on Texas-style coverage options. Among other things, the waiver makes possible the Uncompensated Care (UC) pool and related funding. Maintaining that financial support is vital since under a Medicaid expansion. While an estimated 1.2 million of Texas' 5 million estimated uninsured would be eligible for an expansion, another four million Texans would be ineligible and would continue to rely on care through safety nets – particularly through super safety nets. Maintaining a robust UC pool is foundational to the ability of our safety net and our super safety net providers to continue providing care to Texans who are uninsured and who would not be covered under an expansion.

Third, we want to highlight how important Uncompensated Care (UC) funding is for our safety net system. Those funds are not simply used to pay for Emergency Department care in ways that exacerbate system fragility. On the contrary, for our members at least, UC funding supports continuity

of care within our members' care systems to improve upstream, cost-effective care. THOT members typically provide most uninsured patient visits in outpatient, non-emergency settings to help prevent more complex and expensive health conditions. Because most of our member systems are community-owned, they have incentives to create innovative, cost-effective systems of upstream preventive, primary, specialty and chronic care. As you can see in the graphics in the Appendix, our largest hospital-based care systems provide more outpatient non-ED preventive, primary and specialty care visits than they do inpatient visits. Outpatient visits compared to inpatient admissions among our members are at a rate of 24 to 1 or 14 to 1 for our largest members.

UC funding is critical for our members to continue providing cost-effective care and to support innovative, improvements in community health. Another way to see this is in Graphic B in the Appendix showing clinic-based preventive services at the top in green; clinic-based primary care services in yellow; clinic-based specialty care in orange; clinic radiology/mammography in pink; then ED and inpatient care. Many, many more services are provided in clinics and in the community to promote health and avoid hospital visits whenever possible. The bottom line is our member safety net providers use funding to operate and innovate in community-based care. The volume of services and visits is much greater in outpatient preventive, primary and specialty care than in the ED or the hospital inpatient setting. That is the kind of system investment and infrastructure that supports right care / right time. CMS' help to support super safety net providers like our members is a wise, efficient, and critical choice for Texas. CMS should ensure that funding targets those providers actually doing a disproportionate share of care for Texas' uninsured and doing the majority of Medicaid care.

Fourth, DSRIP funding went directly to community providers based on achieving outcomes. Community providers worked closely with community based social and faith-based organizations to collaborate and more efficiently and effectively create innovative programs to improve care and outcomes in cost-effective collaborative ways. Community-based experience is key to creating successful health systems and historic DSRIP providers, like Central Health, should have a pathway to continue that work under any future DPP. We continue to strongly recommend that CMS and Texas HHSC find ways to empower communities to actively engage in improving health and innovating in care delivery, and we have specific proposals to achieve that engagement.

Fifth, one of THOT members' shared commitments is providing care to the most vulnerable among us. Health is the greatest gift and the condition for engaging fully in our communities. Our members value the mission they have for care; a part of which includes recognizing the dignity of all who seek care and whom we affect by the work we do.

We appreciate Texas HHSC's work to quickly re-submit the waiver and strongly support their request to maintain the same Standard Terms and Conditions (STCs) as in the previously negotiated waiver approved in January 2021. This includes the budget neutrality, continuation of the current UC pool, approval of the new BH and PHD uncompensated care pools, and guidelines for approving the directed payment programs originally scheduled to start in one week. The budget neutrality negotiations are key to avoid losing funds the state has received through DSRIP as funds transition into DPPs. We also commit to continue working with the state on innovative coverage options.

We look forward to working with you directly, representing the largest providers of uninsured care and the funders of DSH and other critical programs in Texas. Our members' innovative work, commitment to care and services for those affected by social determinants of health and challenged by health inequities positions them to work with you on innovative approaches for care. Thank you for your consideration of these comments. If you have questions, please contact our office.

Sincerely,

A handwritten signature in black ink, appearing to read 'MM', with a long horizontal line extending to the right.

Maureen Milligan, Ph.D. M.P. Aff.
President and CEO
The Teaching Hospitals of Texas

Appendix

Graphic: A

Providing integrated health access


Yes, THOT members provide emergency care, and we provide integrated preventive, primary, and specialty care as well as coverage programs to low income and uninsured Texans.

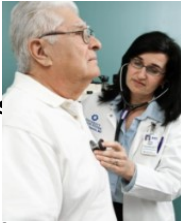
We like these odds...23:1 and 14:1

UMC El Paso's 14:1 ratio of non-ER outpatient visits to inpatient admissions Driven by clinic investments and 43% increase in outpatient visits over 2 years.

Parkland's 14:1 ratio of nonER outpatient visits to inpatient stays
Supported by 30 years of pioneering community care with over 1 million clinic visits annually provided at 12 primary community clinics, 12 school-based clinics, 5 mobile vans.

University Hospital System's 23:1 ratio of non-ER outpatient to inpatient stays. Providing outpatient preventive, primary and specialty clinics and programs throughout San Antonio.





Graphic: B

