



January 24, 2022

Secretary Xavier Becerra  
U.S. Department of Health & Human Services  
200 Independence Avenue, S.W.  
Washington, D.C. 20201

Ms. Chiquita Brooks-LaSure  
Centers for Medicare & Medicaid Services  
U.S. Department of Health and Human Services  
200 Independence Ave., SW  
Washington, D.C. 20201

Mr. Daniel Tsai  
Centers for Medicaid & CHIP Services  
U.S. Department of Health and Human Services  
200 Independence Ave., SW  
Washington, D.C. 20201

**The undersigned members of the Democratic Caucus of the Texas House of Representatives write to you today to express our increasing concern about the ongoing impasse between the Centers for Medicare and Medicaid Services and the state of Texas regarding the state's 1115 Medicaid Waiver and affiliated proposed Directed Payment Programs.**

We are strong supporters and allies with you in efforts to increase health care coverage and access in Texas and decrease the number of our state's uninsured. Our caucus stands resolute in our preference to expand Medicaid under the Affordable Care Act or the Build Back Better proposal. During the 87th Regular Session, Texas House Democrats filed several bills that would have expanded Medicaid in Texas. Every session over the past few years, the Texas House Democratic Caucus has offered and supported a Medicaid expansion amendment during the House debate on the state budget. In 2021, the amendment was again voted down roughly along party lines.

Expanding Medicaid in Texas has the potential to provide coverage to a million more Texans, and has long been a cornerstone of our caucus' policy platform. We also value the partnership between our federal and state governments in determining Medicaid policy for the more than five million Texans currently enrolled. However, without immediate expansion of coverage, the 1115 waiver is needed to help sustain Texas' health care delivery system.

Health care providers participating in the Medicaid system rely upon joint state and federal payments to ensure services to Medicaid enrollees are reimbursed closer to their costs. To date, the impasse on the waiver and the directed payment programs has led to the September expiration of the Uniform Hospital Rate Increase Program (UHRIP) and will result in no less than six months non-payment of rate enhancements to safety net hospitals participating in the Medicaid program, along with a failure to agree to future Directed Payment Programs (DPPs).

Each day without payments creates a mounting strain on our health care providers. This is especially true as Texas suffers another surge of COVID-19, with COVID-19 hospitalizations unfortunately projected to reach an all-time high. The extraordinary costs of health care workforce pandemic staffing borne by Texas hospitals will only exacerbate the continued lack of funding under the 1115 waiver and the DPPs. The approval of a waiver and of the DPPs and the retroactive payment of the lapsed funds is essential to maintaining access for health care beneficiaries and the uninsured in Texas.

We understand that an ongoing point of discussion is CMS' concerns about Texas' decision to utilize state-created Local Provider Participation Funds (LPPFs) to provide much of the non-federal share of the proposed hospital DPPs. Texas' use of LPPF funds are a vital part of the whole Medicaid and health care safety net in Texas, particularly in areas of our state with large populations or without ready access to a local public hospital. Texas' LPPF arrangements comply with federal statute and regulation and have been used since 2013 without CMS objection.

As discussion between CMS and Texas continues, it is incumbent upon our caucus to note that LPPFs are an underpinning of the state's Medicaid system and the supplemental payment programs that sustain the health care safety net. Their existence ensures ongoing provider participation in our state's Medicaid system. Pivoting away from the LPPF financing system could not be accomplished easily nor quickly. The Texas Legislature is not set to convene again until January 2023. Meanwhile, millions of Texans need access to healthcare while the Medicaid supplemental payment programs continue to be on hold.

We urge you to immediately reinstate the suspended payments to the Texas Medicaid program, and, at the same time, work with Texas to put in place a plan for next steps and a path forward that will increase health care access and coverage while recognizing our state's need for a sustainable and robust health care delivery system, DPPs, and a continued Medicaid 1115 waiver. We are certain that we can find a path forward that will honor our joint federal and state partnership. We stand ready to assist you in any way that we can.

Thank you for your attention to this matter, and for your tireless work to ensure the health and well-being of all Americans. We are grateful for your efforts and thank you for all that you do for our country.

Sincerely,

A handwritten signature in black ink, appearing to read "Chris Turner". The signature is fluid and cursive, with a long horizontal stroke at the end.

Rep. Chris Turner


*Chair, Texas House Democratic Caucus*



Rep. Alma Allen



Rep. Rafael Anchía



Rep. Michelle Beckley



Rep. Diego Bernal



Rep. Rhetta Andrews Bowers



Rep. John Bucy, III



Rep. Liz Campos



Rep. Terry Canales



Rep. Sheryl Cole



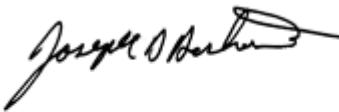
Rep. Garnet Coleman



Rep. Nicole Collier



Rep. Philip Cortez



Rep. Joe Deshotel



Rep. Alex Dominguez



Rep. Harold Dutton



Rep. Art Fierro



Rep. Barbara Gervin-Hawkins



Rep. Jessica González

Rep. Mary González

Rep. Vikki Goodwin

Rep. Ana Hernandez

Rep. Abel Herrero

Rep. Gina Hinojosa

Rep. Donna Howard

Rep. Celia Israel

Rep. Ann Johnson

Rep. Jarvis Johnson

Rep. Julie Johnson

Rep. Tracy King

Rep. Oscar Longoria

Rep. Ray Lopez

Rep. Armando Martinez

Rep. Terry Meza

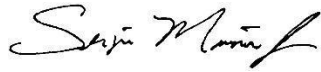
Rep. Ina Minjarez

Rep. Joe Moody

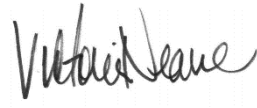
Rep. Christina Morales



Rep. Penny Morales Shaw



Rep. Sergio Muñoz



Rep. Victoria Neave



Rep. Claudia Ordaz Perez



Rep. Evelina "Lina" Ortega



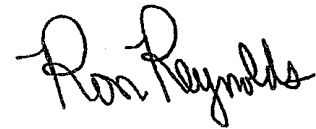
Rep. Mary Ann Perez



Rep. Ana Maria Ramos



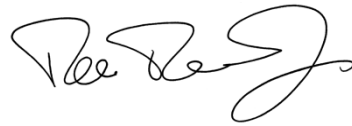
Rep. Richard Peña Raymond



Rep. Ron Reynolds



Rep. Eddie Rodriguez



Rep. Ramon Romero, Jr.



Rep. Toni Rose



Rep. Jon Rosenthal



Rep. Carl Sherman, Sr.



Rep. James Talarico



Rep. Shawn Thierry



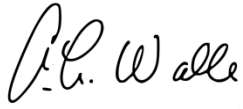
Rep. Senfronia Thompson



Rep. John Turner



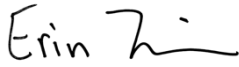
Rep. Hubert Vo



Rep. Armando Walle



Rep. Gene Wu



Rep. Erin Zwiener