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Trey Wood  
Chief Financial Officer  
HHSC Provider Finance Department  
Mail Code H-400  
P.O. Box 149030  
Austin, Texas 78714-9030

*Via electronic submission to [pfh\\_hospitals@hhsc.state.tx.us](mailto:pfh_hospitals@hhsc.state.tx.us)*

**Comments on Proposed Rule 24R064**

Dear Mr. Wood,

On behalf of our 460 member hospitals, the Texas Hospital Association (THA) thanks you for the opportunity to comment on proposed changes to the Comprehensive Hospital Increase Reimbursement Program (CHIRP), Disproportionate Share Hospital (DSH), Uncompensated Care (UC), and Hospital Augmented Reimbursement Program (HARP) methodologies at 1 TAC §353.1306, §355.8065, §355.8070, and §355.8212. This letter expands upon comments THA delivered at the September 26, 2024 public hearing. Through a multi-year collaboration, the Texas Health and Human Services Commission (HHSC) has engaged hospitals in long-term plans to protect and maximize available hospital supplemental funding. THA appreciates HHSC's efforts to continue implementing these strategies.

THA supports HHSC's proposals to deem all rural hospitals as qualifying for DSH and exempting them from the trauma system requirement. This provides stability for rural hospitals and avoids unexpected disqualification due to other methodology changes. We also support HHSC's effort to maximize available program funding by gradually raising the upper payment limit to reach 100% of the average commercial rate (ACR).

The FY 2025 CHIRP rate enhancements are now segmented by service delivery area, hospital type, and managed care product. The proposed rule provides for sharing of ACR room within a class, which is meant to enhance rates for those hospitals who have lower negotiated commercial rates and are more reliant on other supplemental programs. For modified CHIRP calculations that would occur on a per-class basis, it is unclear whether this means ACR room shared within a class would now also be segmented by managed care product. We recommend HHSC clarify its process for how the ACR room will be grouped, and review the proposed rule text to ensure the process for sharing room is clear and transparent.

CMS's interpretation of the new managed care rule will affect future iterations of the CHIRP program. We recommend HHSC revisit draft rule text for any instances of conflict between the CHIRP rule and managed care rule and update accordingly.

Hospitals would appreciate the opportunity to review payment modeling with room sharing by class to show how payment rates might change. Hospitals would also appreciate the opportunity to review HHSC's updates to rule text before finalization.

Thank you for your consideration of these comments. Should you have any questions, please do not hesitate to contact me at [astelter@tha.org](mailto:astelter@tha.org) or 512-465-1556.

Respectfully submitted,

/s/

Anna Stelter  
Vice President, Policy  
Texas Hospital Association