

FILEMON VELA  
34TH DISTRICT, TEXAS

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November 9, 2021

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

The Honorable Chiquita Brooks-LaSure  
Administrator  
Centers for Medicare and Medicaid Services  
U.S. Department of Health and Human Services  
200 Independence Ave., SW  
Washington, DC 20201

The Honorable Daniel Tsai  
Deputy Administrator and Director  
Center for Medicaid and CHIP Services  
Centers for Medicare and Medicaid Services  
U.S. Department of Health and Human Services  
200 Independence Ave., SW  
Washington, DC 20201

The Honorable Anne Marie Costello  
Deputy Director  
Center for Medicaid and CHIP Services  
Centers for Medicare and Medicaid Services  
U.S. Department of Health and Human Services  
200 Independence Ave., SW  
Washington, DC 20201

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

I write to express concerns about the expiration of several programs that provide critical funding and access to health care services for Medicaid enrolled and uninsured individuals across Texas. CMS and the state of Texas should work swiftly to resolve any outstanding issues and reach agreement on the renewal of Texas' 1115 Medicaid waiver and several related Medicaid managed care directed payment programs (DPPs).

The recent expiration of a number of programs that provide health care services to vulnerable communities in Texas has led to vast uncertainty for both patients and providers. On August 31, 2021, both the Uniform Hospital Rate Increase Program (UHRIP) and the Quality Incentive Payment Program (QIPP) expired. Additionally, on September 30, 2021, the Delivery System Reform Incentive Payment (DSRIP) program expired. Annual financial support from these programs totaled \$6.3 billion, comprising a critical component of our state's safety net. State health care providers fear that without financial support from these payment programs, many of the gains made in increasing access to health care services for the most vulnerable will be undermined and longstanding disparities in health outcomes for the underserved populations living in Texas' urban and rural communities will be further exacerbated.

I understand that one issue brought up by CMS during its review related to the use of Local Provider Participation Funds (LPPFs) to provide the nonfederal share of the proposed hospital DPP and other Texas Medicaid supplemental payment programs. LPPFs are fully compliant local Medicaid provider taxes, as defined under federal statute and regulation. The LPPFs increase access to care across the state by providing a means for local governments to contribute the nonfederal share needed to fully fund

essential Medicaid supplemental payments. This is particularly true in areas of the state without public hospitals.

I also want to note the need for these funding sources even if efforts to expand health care coverage in the state succeed. While expansion could benefit more than one million uninsured Texans, a coverage gap would still exist for more than three million people in our state, making these funding sources critical to ensuring access to care and needed resources.

As you continue to work toward a resolution, I request that CMS and HHSC come to an agreement on a short-term solution since further delays threaten the stability of the existing safety net. Please do not hesitate to contact me if I can be of assistance as you work to reach an agreement.

Thank you for your ongoing efforts and consideration of these concerns.

Sincerely,



Filemon Vela  
Member of Congress