

VERONICA ESCOBAR
16TH DISTRICT, TEXAS

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NEW DEMOCRAT COALITION

November 18, 2021

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

Honorable Daniel Tsai
The 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
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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
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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
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Dear Secretary Becerra, Administrator Brooks-LaSure, Deputy Administrator Tsai, and Deputy Director Anne Marie:

As you know, the state of Texas is seeking approval of a Medicaid waiver renewal and several related Medicaid managed care directed payment programs (DPPs). The successful waiver renewal and approval of new DPPs are essential to maintaining access to health care services and reducing health disparities for Medicaid enrolled and uninsured individuals across the state. I am therefore concerned regarding the ongoing delays in approving the waiver renewal and DPPs.

For the last 10 years, Texans seeking access to care have directly benefited from Texas' Medicaid waiver and DPPs, particularly those living in underserved communities. For the past four years, a critical component of our state's safety net has been the annual financial support from the Uniform Hospital Rate Increase Program (UHRIP) and the Quality Incentive Payment Program (QIPP). These programs and related funds expired on August 31, 2021. Many of the same providers also benefited from the Delivery System Reform Incentive Payment (DSRIP) program, which expired on September 30, 2021. The delay in approving UHRIP, QIPP and DSRIP for an additional year or in approving other new payment programs only undermines many of the gains made over the life of the waiver in increasing access to healthcare

services for the most vulnerable, and threatens to further entrench longstanding disparities in health outcomes for the underserved populations living in Texas' urban and rural communities.

Notably, during CMS' review of Texas' proposed DPPs, CMS has repeatedly expressed concerns about 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, and are a vital part of our health care safety net in Texas, particularly in areas of the state without public hospitals. 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.

I stand ready to assist the Administration in its efforts to reach a resolution with the state. CMS and HHSC must come to an agreement on a short-term solution while continuing to work to establish a sustainable demonstration waiver renewal. While over a million uninsured Texans may gain access to coverage as a result of Democrats' unwavering commitment to expanding health care coverage in the state, over 3 million will remain uninsured, making these funding sources still critical to ensuring access to care and needed resources. The health and well-being of Texas' Medicaid and uninsured individuals depend on CMS and HHSC reaching a resolution to preserve our safety net.

Sincerely,

A handwritten signature in black ink that reads "Veronica Escobar". The signature is written in a cursive, flowing style.

Veronica Escobar
Member of Congress