



August 30, 2021

Centers for Medicare and Medicaid Services (CMS)
Attention: Secretary Xavier Becerra
U.S. Department of Health & Human Services
200 Independence Avenue, S.W.
Washington, D.C. 20201

Submitted via https://1115publiccomments.medicaid.gov/jfe/form/SV_2n3XeBacoAaa5Ke

Re: Comments on the Texas Healthcare Transformation Quality Improvement Program Section 1115 Waiver Extension Request

On behalf of Texans Care for Children, thank you for the opportunity to comment on the Texas Health and Human Services Commission's (HHSC) request to extend and amend the Texas Healthcare Transformation Quality Improvement Program waiver under section 1115 of the Social Security Act (1115 Transformation Waiver Extension Request). We appreciate your commitment to health equity and quality and to ensuring Texas has an effective Medicaid managed care program and a strong health care safety net, both of which are critical to a high-functioning health care system. When Texas adults and children can access the medical and mental health care they need, this improves health outcomes, reduces costs, and positively impacts the well-being of children and families.

We are grateful for your commitment to public transparency and the public comment process because it provides an opportunity to hear from the community so that the state's 1115 Transformation Waiver Extension Request is informed by on-the-ground perspectives and designed to meet the diverse needs of our state. The proposals in the 1115 Transformation Waiver Extension Request will impact millions of Texans. An open and transparent process for developing Medicaid policy is critical for the 4 million Texans enrolled in Medicaid today, millions of uninsured Texans, and thousands of health providers, employers, and health systems that provide care to Texas families.

While Texas is requesting a 10 year extension of the waiver, we support a three to five year extension in line with federal statute and CMS history of waiver approvals. This length of time would offer providers and beneficiaries certainty for a reasonable length of time while CMS and

Texans Care for Children is a statewide, non-profit, non-partisan, multi-issue children's policy organization. We drive policy change to improve the lives of Texas children today for a stronger Texas tomorrow. We envision a Texas in which all children grow up to be healthy, safe, successful, and on a path to fulfill their promise.

Texas HHSC work to develop a permanent plan to ensure health coverage is available to uninsured Texas adults.

We support safety-net hospitals and providers.

HHSC is seeking federal approval to extend the 1115 Transformation Waiver for another 10 years, requesting approval to, among other things:

- Maintain and resize the hospital Uncompensated Care (UC) pool, which helps reimburse hospitals for financial losses they sustain when providing uncompensated care to uninsured Texans; and
- Establish a new Public Health Provider - Charity Care Program (PHP-CCP) to offset financial losses sustained by local public health departments and public mental health providers for providing uncompensated care to uninsured Texans.

An effective health care safety net is a critical part of a high-functioning health care system. **We support the state's proposal to maintain the UC pool for hospitals while also establishing a new funding pool for public health departments and mental health care providers.** This funding will ensure safety net providers can continue to serve and treat uninsured Texans while also continuing to serve their larger communities.

But more must be done. Uncompensated Care funding is not a substitute for health coverage and comprehensive health care for low-wage Texans.

At least 5.2 million Texans — nearly 1 in 5 Texans — lack health care coverage. The proposed 1115 Transformation Waiver Extension Request does not address Texas' worst-in-the-nation uninsured rate. A hospital getting paid afterwards for an uninsured working parent's Emergency Room visit does not help that parent access preventive care, ongoing treatment and monitoring of chronic conditions like asthma, high blood pressure, or diabetes, or even get cancer treatment. The UC pool won't pay for a follow-up visit, or the medications or medical supplies they need. Texas adults on the front lines of our economy — including child care workers, home health and nursing aides, grocery clerks, and other Texans with low-wage jobs — too often must choose between unmanageable medical debt or ignoring a pressing medical need. Texans deserve the dignity and healthy life that health coverage can provide in a way that just emergency care cannot.

As an organization dedicated to Texas children, we're particularly concerned that Texas' progress on maternal and infant health is at risk as long as comprehensive health coverage options are unavailable to Texas women. If a woman is uninsured and cannot get diabetes medications or insulin supplies, or see an endocrinologist to manage diabetes *before pregnancy*, her and her baby's

health may be severely affected. Under these circumstances, a mother is at increased risk of pregnancy complications and her baby is much more likely to be born with birth defects (e.g. neural tube defects or congenital heart defects), which are expensive to repair, increase costs to Texas Medicaid, and can have devastating, lifelong impacts on a child.¹

Decades of research show that the lack of comprehensive health coverage poses serious health consequences, contributes to higher health care costs, and hurts job growth. Notably, when parents are uninsured, their children are less likely to be covered too, resulting in missed check-ups and immunizations, days out of school, and worse academic progress. In turn, these results impact a child's success and Texas' next generation of leaders.

We respectfully urge CMS to make health coverage a priority in negotiations with Texas and urge the creation of a Texas-style health coverage initiative to reduce the alarming uninsured rate and better meet the needs of low-wage Texas adults.

During the state's public comment period, hundreds of Texans commented and urged Texas HHSC to include a Texas-style health coverage solution before re-submitting the 1115 Transformation Waiver Extension Request in order to better meet the needs of Texans and achieve the goals of the Medicaid program. Federal dollars for uncompensated care are critical, but they are not a substitute for comprehensive health coverage. As you know, the uncompensated care and the Delivery System Reform Incentive Payment (DSRIP) Program funding originally provided under the 1115 Transformation Waiver were intended to serve as a bridge to the implementation of Medicaid expansion, not as an adequate long-term solution on their own.

We are grateful that Congress adopted a temporary fiscal incentive as part of the American Rescue Plan Act (ARPA) to encourage implementation of Medicaid expansion, and we urge you to continue to make health coverage a priority in negotiations with Texas. An estimated 1 to 1.4 million uninsured low-wage Texans would become eligible for Medicaid health insurance if Texas accepted the Medicaid expansion federal matching funds for coverage expansion.² By extending coverage to more uninsured adults, more of the 1115 Transformation Waiver dollars could be focused on increasing access to primary care and preventive services, and care coordination between primary care and specialty services. Texas does need uncompensated care hospital funding to offset costs when uninsured Texans get so sick that they head to the Emergency Room,

¹ See Peterson C, Grosse SD, Li R, et al. "Preventable health and cost burden of adverse birth outcomes associated with pregestational diabetes in the United States." *Am J Obstet Gynecol.* 212:74.e1-9 (2015)(finding high risk of birth defects and the significant costs from uncontrolled diabetes going into a pregnancy). See Davidson, Alexander J. F. et al. "Risk of severe maternal morbidity or death in relation to elevated hemoglobin A1c preconception, and in early pregnancy: A population-based cohort study." *PLoS Medicine.* vol. 17,5 (May 19, 2020)(finding higher risk of maternal death or severe pregnancy complications with unmanaged pre-pregnancy diabetes).

² Kaiser Family Foundation. "Who Could Medicaid Reach with Expansion in Texas?"

<https://files.kff.org/attachment/fact-sheet-medicaid-expansion-TX>, Episcopal Health Foundation. "County-Level Projections of Medicaid Expansion's Impact in Texas" (Sept. 2020).

<https://www.episcopalhealth.org/research-report/county-level-projections-of-medicaid-expansions-impact-in-texas/>.

but Texas also needs expanded health coverage options so we can help currently uninsured Texans get healthy and stay out of the hospital.

We appreciate CMS not rushing decisions related to the directed payment programs and that you have offered the state an option to extend DSRIP funding. Projects funded by DSRIP have delivered valuable access to services for uninsured adults, including notable projects for mental health care, maternal and infant health, chronic disease care management, and preventive care. We share the concern of the communities that have benefitted from these DSRIP innovations that many Texans will be harmed if those programs simply disappear as scheduled for October 2021 without an alternative funding stream. We appreciate that CMS has offered Texas an extension of DSRIP funds until October 2022 and that you have chosen to include metrics that aim to improve future health equity. We hope steps will be taken to build on the DSRIP investment as future state directed payments (SDPs) are negotiated in order to address the extraordinary needs of low-income and uninsured Texans.

Texas can no longer ignore the profound human and economic impact of having more than 1 in 5 of our people uninsured. It is imperative that the future 1115 Transformation Waiver better meet the needs of hardworking Texans, their families, and the health providers who care for them.

Thank you for your consideration, and all your work on the 1115 Transformation Waiver. If you have any questions or if we can provide further information, please contact me at 512-473-2274 or srubin@txchildren.org.

Respectfully submitted,

Stephanie Rubin
CEO
Texans Care for Children