



May 17, 2021

Victoria Grady
Director, Provider Finance
Texas Health and Human Services Commission
4900 North Lamar Boulevard
Austin, TX 78751

UCTools@hhsc.state.tx.us

Re: CHRISTUS Health Comments to Proposed Rule to Amend Disproportionate Share Hospital (Medicaid DSH) Reimbursement Methodology

Dear Ms. Grady:

On behalf of CHRISTUS Health, we appreciate the opportunity to offer comments on the Proposed Rule to Amend Disproportionate Share Hospital (Medicaid DSH) Reimbursement Methodology. CHRISTUS Health is an integrated, international, faith-based, not-for-profit health system comprised of more than 600 points of service and facilities, including 60 hospitals in four U.S. States, 350 clinics and outpatient centers and dozens of other health ministries and ventures. Consistent with its mission to extend the healing ministry of Jesus Christ, CHRISTUS Health provides care to a critical number on Medicaid beneficiaries in Texas.

Hospitals are facing a time of unprecedented uncertainty. The Centers for Medicare & Medicaid Services' (CMS') April 16, 2021, rescission of the 1115 Waiver means that uncompensated care (UC) payment entitlement will cease to exist on October 1, 2022. The Comprehensive Hospital Increase Reimbursement Program (CHIRP) represents a radical departure from the existing Uniform Hospital Rate Increase Program (UHRIP), (and every other approved hospital directed payment program nationwide) and is subject to annual CMS approval. The Network Access Improvement Program (NAIP) is subject to a federally required phase-down. The Delivery System Reform Incentive Payment (DSRIP) pool is already being phased-out and hospitals will have no new entitlement in about four months. The Health and Human Services Commission's (HHSC's) ability to establish new programs and bolster existing programs beginning October 1, 2022, are largely tied to Waiver renewal strategies and negotiations with CMS for which the status and terms are completely unknown. In short, ***every major Medicaid program on which hospitals in Texas rely is at risk, except for one: Medicaid DSH.***

Consequently, now more than ever, it is prudent to postpone the adoption of HHSC's April 16, 2021, proposed rule at 1 Tex. Admin. Code § 355.8065 (the Proposed Rule). The Proposed Rule provisions at § 355.8065(d)(2) intend "to align with federal statute" and address the fact that "several providers have a low-income utilization rate (LIUR) over

one hundred [percent],” but provide little guidance on how HHSC plans to actually implement this change. Depending on how HHSC implements the changes, there will likely be significant reallocations in Medicaid DSH funding resulting from the rule change, as well as potential changes in Medicaid DSH qualification.

In the past three years, HHSC distributed the Medicaid DSH qualification workbooks in April and the calculations were based on known, proven methodologies. Hospitals had the ability to project changes in their expected Medicaid DSH payment participation and budget for those changes based on their submitted Medicaid DSH application. HHSC’s Proposed Rule precludes reasonable reliance on our budgeting and historical experience with the otherwise stable Medicaid DSH program during a period in which the level of uncertainty is unprecedented. That HHSC has yet to release the 2021 Medicaid DSH qualification workbook—with the final Medicaid DSH payment just around the corner—only compounds the problem.

In conclusion, CHRISTUS Health requests that HHSC postpone the adoption of the Proposed Rule and instead incorporate HHSC’s intentions and policy concerns into the upcoming summer Medicaid DSH technical workgroups that HHSC previously announced for deliberation on substantive changes to the Medicaid DSH methodology for the 2022 program year. Thank you for the opportunity to provide comments on this proposed rule, and please feel free to reach out to my staff or me with any questions or for additional information.

Respectfully,



Randy Safady
Executive Vice President
Chief Financial Officer
CHRISTUS Health