

November 16, 2015

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Submitted electronically via www.medicaid.gov

Subject: Comments on the Texas Healthcare Transformation and Quality Improvement Program - Five Year Extension

The Texas Association of Community Health Centers (TACHC) and the Texas Academy of Family Physicians (TAFP) are pleased to provide comments on the Texas Healthcare Transformation and Quality Improvement Program - Five Year Extension application submitted to CMS on September 29, 2015. TACHC represents the 75 federally qualified health centers (FQHCs or health centers) in Texas which serve as the medical home for over 1.1 million Texans in more than 350 service delivery sites across 118 counties statewide. TAFP is the state's largest medical specialty organization, with more than 7,800 member physicians, residents and medical students throughout the state.

Texas health centers provide primary care services to the populations targeted under the 1115 waiver. In 2014, 73% of Texas health center patients had incomes below the poverty level and just under half were uninsured. While Texas health centers have experienced a modest decrease in their uninsured rate since Affordable Care Act (ACA) reforms took effect in 2014, from 51% in 2013 to 47% in 2014, the majority of health center patients have incomes below the poverty level, making them ineligible for subsidized coverage in the Marketplace. Because Texas leaders have declined to expand Medicaid under the ACA, these individuals fall into a coverage gap and remain uninsured.

TACHC and TAFP understand the importance of the waiver extension in regards to statewide Medicaid managed care and are cautiously optimistic that the Delivery System Reform Incentive Payment (DSRIP) funding may lead to increased access and continuity of care across the state.

However, in the waiver renewal application, the Texas Health & Human Services Commission (HHSC) is requesting a substantial increase in the Uncompensated Care (UC) pool – from \$3.1 billion in final Demonstration Year of the current waiver to \$5.8 billion in 2017, \$6.6 billion in 2018 and \$7.4 billion in 2019 and beyond – without taking steps to increase availability of coverage for low-income Texans through an expansion of Medicaid.

While the 1115 waiver serves an important role in the health care delivery system in Texas and there will be a need for some level of UC funding in the foreseeable future, the waiver was not designed to serve as a substitute to the state taking steps to ensure access to affordable health coverage options for low-income Texans. The original waiver was approved by CMS prior to the Supreme Court decision that made Medicaid expansion a state option, and was designed, in part, to help the state prepare for an influx of newly insured Texans as ACA reforms took effect. We ask that CMS continue the position that coverage is a better way to provide access to care than UC pools.

We also support CMS's long held position that provider and health plan payment rates should be sufficient to promote access to services for Medicaid recipients. We agree that ensuring adequate payment rates is a preferred method for protecting access to services over supplemental payments, which are subject to the availability of local entities to make intergovernmental transfers. We urge CMS to use all the tools available to encourage states to set reimbursement rates that are adequate to ensure access to needed services by Medicaid beneficiaries.

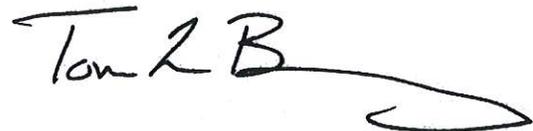
As of November 2015, Texas taxpayers have lost an estimated \$9.6 billion in federal funding that would have paid for Medicaid coverage for more than a million Texans in the coverage gap and offset hospital uncompensated care costs by reducing the number of uninsured adults in the state. Extending Medicaid to adults up to 138% of the poverty not only would allow Texas to draw down more federal dollars with Texas taxpayers contributing a smaller share, but would also contribute to economic stability for Texans in the coverage gap and provide additional resources to Texans living in poverty.

Thank you for the opportunity to provide comments on this important issue. Please do not hesitate to contact José Camacho at jcamacho@tachc.org or (512) 329-5959 or Tom Banning at tbanning@tafp.org or (512) 497-0048 with questions about these comments.

Sincerely,



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Tom Banning
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