June 16, 2021

Texas Health and Human Services Commission
Attention: Basundhara Raychaudhuri, Waiver Coordinator
P.O. Box 13247
Mail Code H-600
Austin, Texas 78711-3247

And by email to TX_Medicaid_Waivers@hhsc.state.tx.us

Dear Ms. Raychaudhuri,

I am submitting comments on behalf of Episcopal Health Foundation (EHF) where I serve as President and CEO. We are a Texas-based $1.5 billion independent philanthropy dedicated to improving the health and well-being of Texans. EHF does not own, nor are we affiliated with, hospitals, physician practices, clinics, health plans, or any other health system actors. We do not raise funds; rather, we provide tens of millions of dollars each year in grants, research, and community engagement toward achieving our mission. Our sole interest in this matter is on behalf of the people of Texas, especially "the least of these" as the gospel teaches. This includes a deep commitment to health equity which can and should be advanced with intention by HHSC.

I want to express my sincere appreciation for allowing the public to provide oral and written comments in advance of filing the Texas 1115 Medicaid Waiver application. The 1115 waiver is an important program, impacting many millions of Texans and the providers who serve them, with billions of taxpayer dollars in play. Without public input, the voices of many Texans simply do not get heard. I thank you in advance for giving serious attention to the input provided and for considering revisions to the draft application to CMS to reflect the public's concerns.

EHF does support an extension of the waiver; it is essential for Texans' health. But we believe the content of the application can and should be strengthened and request that the following changes be incorporated.

First, the waiver should be designed to provide more Texans with comprehensive health insurance coverage. As currently drafted, the waiver application primarily seeks billions of dollars to cover the cost to hospitals and, to a lesser extent, other providers, for losses they sustain related to uncompensated care. The reason Texas providers incur billions of dollars in uncompensated care is because we have more than five million Texans who lack health insurance. In fact, we have the highest rate and largest number of uninsured residents in the country, twice the national average; most are people of color. But it

doesn't have to be this way. Texas can choose to address the uninsured through the 1115 waiver by expanding coverage to 1.3 million additional Texans—about a quarter of the uninsured population. This is affordable for Texas, will improve the health of those newly covered, and is wanted by Texans. Public opinion polling shows that most Texans—64% to 69%--support coverage expansion. A bipartisan group of more than half of Texas House members signed on to a bill calling for coverage expansion via an 1115 waiver just this spring. The Metro 8—our states' largest chambers of commerce—penned a letter to the governor urging coverage expansion. And nearly 200 organizations from across the state signed a similar letter earlier this year. A Texas-specific plan for coverage can and should be made part of the waiver, as several other states have done. This was the intent of CMS and Texas when the waiver was developed in 2011. As CMS has stated many times, including in its January 15, 2021, waiver extension approval letter, uncompensated care payments do not equate to health care coverage.

Second, the waiver should include a program and funding to support proactive enrollment and retention efforts for Medicaid, CHIP, and ACA Marketplace for eligible Texans. In addition to the 1.3 million Texans who could gain coverage through the waiver, it is estimated that an additional 1.5 million uninsured Texans are currently eligible for Medicaid, CHIP, or subsidized ACA Marketplace plans. Data show that Texas has among the lowest participation rates in the US for eligible children (#48) and parents (#51) in Medicaid/CHIP; for total eligible ACA Marketplace enrollment (#35) and for subsidy-eligible Texans (#38). Texas can and should be doing more to encourage and assist in enrollment and retention efforts and, as part of the waiver, Texas should implement a program to increase enrollment and reduce the rate of uninsured, thereby reducing the need for uncompensated care. Such a program might include proactive outreach through state and local agencies, multi-media campaigns, enrollment assistance through public and private agencies, and ongoing review of enrollment data to identify and address problems relating to enrollment and retention. There should be active, ongoing coordination between HHSC's eligibility division, the agency's Community Partners Program, federal navigator grantees, and Certified Application Counselor organizations. Enrollment materials should be updated, and eligibility staff should be trained to assist mixed immigration status families so that all potentially eligible consumers are effectively reached and enrolled. Consumers should be engaged in determining the most effective methods for undertaking this work. The amount of waiver dollars set aside for this program should be commensurate with the investments necessary to achieve at least the average US enrollment rates for each program.

Third, uncompensated care funds provided via the waiver should consider whether Texas has done all it can to support affordable insurance coverage for its residents. If Texas expands coverage and increases enrollment in publicly supported programs as described above, there will still be as many as two million uninsured Texans. These people will seek care through hospitals and other providers and there will be uncompensated costs associated with providing that care. We support the waiver's request for continuation of an uncompensated care pool to help our hospitals and other providers as well as the Directed Payment Programs. Maximizing affordable coverage and providing uncompensated care funds to Texas providers are complementary to one another. Texas needs both.

Fourth, for those who cannot become insured through existing or expanded coverage programs, the waiver should prioritize patient-centered systems of care grounded in primary care for superior health outcomes and reduced costs. As currently structured, the waiver's primary beneficiaries would be acute care hospitals. This is the most expensive site of care in the delivery system and is often accessed by the uninsured due to lack of alternative sites of care. In many cases, care sought in the emergency room could have been provided in ambulatory settings or could have been avoided altogether by care management to address chronic conditions. If Texas is going to seek waiver approval of and funding for care consumed by the uninsured, it should do so by investing in primary care-based delivery systems that partner with patients for appropriate care at the appropriate time in the appropriate site. As currently written, the waiver does not sufficiently address the care management and coordination needs that benefit patients and can reduce costs, as Texas has demonstrated through its Medicaid Managed Care program. Texas should have a patient-centric, primary care-based health care delivery system, and the current draft of the waiver application is not so designed.

Fifth, the waiver fails to address the non-medical factors, or social determinants of health (SDOH), that contribute more significantly to health outcomes than medical care. CMS has been clear that the Medicaid/CHIP program should incorporate SDOH. Its January 7, 2021, letter to State Health Officials (SHO#21-001) contains this directive and includes a lengthy compendium of successful SDOH programs within Medicaid/CHIP in many states. Texas has begun to address SDOH within Medicaid/CHIP and included a specific milestone in its DSRIP transition plan for this purpose. We are excited about the promise of increased SDOH within Texas Medicaid and grateful for the work of HHSC to advance this important work. More importantly we look forward to seeing Medicaid/CHIP enrollees benefit from SDOH. As currently drafted, however, the waiver will not provide SDOH opportunities to the five million uninsured Texans. Innovative waiver programs like North Carolina's Healthy Opportunities should be developed and incorporated into the waiver.

Sixth, the 10-year waiver period requested by Texas is too lengthy. Texas' original application for extension filed in late 2020 sought only a five-year extension. Federal statutory law does not support a 10-year extension. Moreover, 10 years is too long to be locked into a delivery system that is premised on funding institutions for uncompensated care rather than providing coverage to individuals so they can access care.

Episcopal Health Foundation appreciates the opportunity to provide these comments.

Sincerely,

Elena Marks

Elena M. Marks
President and CEO