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Jennifer Carr Allmon
EXECUTIVE DIRECTOR

June 29, 2023

Centers for Medicare & Medicaid Services
Department of Health and Human Services,
P.O. Box 8016,
Baltimore, MD 21244–8016

Attention: CMS–2439–P

Submitted online via: <https://www.regulations.gov>

Re: Medicaid Program; Medicaid and Children’s Health Insurance Program (CHIP) Managed Care Access, Finance, and Quality Proposed Rule (CMS–2439–P

Dear Secretary Becerra and Administrator Brooks La-Sure:

I write today to alert you to an urgent matter affecting poor and vulnerable Americans, including Texans. The Medicaid Program; Medicaid and Children’s Health Insurance Program (CHIP) Managed Care Access, Finance, and Quality Proposed Rule (the “Proposed Rule”) released on May 3, 2023, proposes changes to Medicaid’s financing, distribution, and adjudication that will critically weaken our health care safety net. These changes jeopardize the healthcare of millions of children, disabled adults, and people living in poverty who depend on Medicaid. Please consider the human cost of these policy proposals and withdraw them from the Proposed Rule.

This Proposed Rule seeks to impose limitations on Medicaid financing through provider taxes that would remove billions of dollars from the Texas Medicaid program (and other Medicaid programs across the country) without any clear pathway to replace these essential funds. CMS has previously promised to stop and consider the impact of similar proposals before proceeding, but no such impact analysis has been published.

In Texas, provider taxes support a total of over \$8 billion in Medicaid payments annually. The language in the Proposed Rule would threaten every dollar of that funding, and the impact of this policy disaster would not be felt evenly. It will fall heavily on urban areas, like Houston, where Representative Al Green’s district will lose over \$1.5 billion, and Dallas, where Representative Jasmine Crockett will lose over \$900 million. These urban centers have large, vibrant minority communities who will be unfairly and disproportionately impacted by the loss of these essential funds.

The Proposed Rule envisions an arbitrary total expenditure limit on state directed payments that would require states to reduce existing Medicaid directed payments by millions—in some cases billions—of dollars each. To comply with this limitation, Texas would have to reduce its current programs by over \$5 billion annually.

This language would impose a state expenditure limit that is likely to have the effect of penalizing states like Texas that elect to rely heavily on directed payment programs to supplement base rates. The limit would require a dramatic narrowing of the ways states can distribute Medicaid payments. Once again, we believe CMS has not considered the true impact of this policy shift.

The Proposed Rule would limit access to courts to resolve any disputes about approval of directed payments. Access to health care is a basic human right, and America's court system serves as a critical backstop for defending human rights. Adding unnecessary layers of administrative procedures will cause delays that threaten the timely delivery of lifesaving care to millions of people.

Finally, the Catholic Church's healthcare ministry in this country has served the indigent for hundreds of years. In Texas, the Church operates 59 Catholic hospitals and around 16% of their admissions are Medicaid recipients. Due to the Catholic Church's preferential option for the poor, Catholic health care facilities provide a significant amount of uncompensated care and Medicaid and Medicare funding helps to sustain our mission of treating anyone who walks through our doors.

Healthcare is essential to protecting the sanctity of life and promoting human dignity. We urge you to thoughtfully consider and analyze the impact of the Proposed Rule on the poor and vulnerable and we pray that your work on the final rule will be for the common good.

Respectfully submitted,

A handwritten signature in black ink that reads "Jennifer Carr Allmon". The signature is written in a cursive, flowing style.

Jennifer Carr Allmon

Executive Director, Texas Catholic Conference of Bishops