



City of Austin

P.O. Box 1088. Austin, TX 78767-1088

June 28, 2021

Texas Health and Human Services Commission
Attention: Basundhara Raychaudhuri, Waiver Coordinator
Policy Development Support
PO Box 13247
Mail Code H-600
Austin, Texas 78711-3247
Submitted Electronically: [TX Medicaid Waivers@hhsc.state.tx.us](mailto:TX.Medicaid.Waivers@hhsc.state.tx.us)

Re: Medicaid 1115 Transformation Waiver Extension

The City of Austin appreciates the opportunity to submit feedback on the draft request by Texas Health and Human Services Commission (HHSC) to the United States Centers for Medicare and Medicaid Services to extend and amend the Texas Healthcare Transformation Quality Improvement Program waiver under section 1115 of the Social Security Act.

The City of Austin successfully utilized Delivery System Reform Incentive Payment (DSRIP) programs under the 1115 waiver to enhance access to health care, increase the quality and cost-effectiveness of care and improve population health and the health of the patients and families served. The focus of Austin Public Health (APH) DSRIP programs has been on the Medicaid, Low-Income, and Uninsured (MLIU) population. Many of these programs address health care disparities in populations disproportionately impacted by COVID-19. These programs include the Community Diabetes Initiative, which focuses on reducing health disparities related to diabetes, especially in the Hispanic/Latinx and African American communities, the Maternal Infant Outreach Program that works to address and eliminate racial disparities in birth outcomes and improve maternal and infant health in the African American community, and permanent supportive housing services to provide intensive community-based services to individuals with a history of chronic homelessness and multiple health conditions.

The City greatly supports the inclusion of the the State's new Public Health Provider-Charity Care Program (PHP-CCP) that will be developed to help offset costs incurred by public providers for providing care, including behavioral health, immunizations, chronic disease prevention, and other preventative services for the uninsured as well as the inclusion of the Ambulance Average Commercial Reimbursement Program. These provisions of the HHSC's

*The City of Austin is committed to compliance with the Americans with Disabilities Act.
Reasonable modifications and equal access to communications will be provided upon request.*

proposed waiver extension application will help the City continue to address health disparities, provide services to vulnerable populations, and protect the general population's health.

The City supports the HHSC's inclusion of funding for uncompensated care provided to patients without insurance, including reimbursements to hospitals and funding for mental health providers in the HHSC's current proposal. However, as noted in a recent article in the *Journal of the American Medical Association*,¹ nationally, multiple studies show that Medicaid expansion significantly reduced hospitals' uncompensated care. In Michigan, uncompensated care was cut in half after Medicaid expansion in 2014.

Reimbursement for the uncompensated care of uninsured individuals and expanded coverage for uninsured individuals does not have to be – and should not be – mutually exclusive. The City urges HHSC to seek an extended Section 1115 waiver that protects safety net hospitals and reimburses them for uncompensated care and continues to provide preventive and other ambulatory services, medications, and management of chronic conditions in a manner that improves health outcomes reduces health care costs and lowers the burden on hospital emergency rooms.

Ten years of data and evidence from states throughout the nation overwhelmingly illustrate that expanding coverage to uninsured individuals would be the most beneficial, cost-effective, and logical way for Texas to address the issues to improve health outcomes in this state that HHSC hopes to address with an extended Section 1115 waiver. Please find below highlighted data that the City believes demonstrates the need for HHSC to include the expansion of coverage in its draft request.

- A recent Kaiser Family Foundation review of over 400 studies of the impact of state Medicaid expansions² found that the majority of the research indicated that expansion led to positive effects on access and use of care, insurance coverage, health care affordability, and financial security, a state's economy, and health outcomes - including mortality rates. Fewer than a handful of studies found any negative outcomes.
- Texans account for 36% or 1.4 million of the 4 million US adults in non-expansion states who fall into the Medicaid "coverage gap" but would have health insurance if all states expanded Medicaid. Of the Texans falling into the coverage gap, 3 out of 4 are persons of

¹ Buchmueller TC, Cliff BQ, Levy H. *The Benefits of Medicaid Expansion*. (JAMA Health Forum. July 15, 2020).

doi:10.1001/jamahealthforum.2020.0879 <https://jamanetwork.com/journals/jama-health-forum/fullarticle/2768596>

² Madeline Guth, Rachel Garfield, and Robin Rudowitz *The Effects of Medicaid Expansion under the ACA: Studies from January 2014 to January 2020* (Kaiser Family Foundation, Mar 17, 2020)

<https://www.kff.org/medicaid/report/the-effects-of-medicaid-expansion-under-the-aca-updated-findings-from-a-literature-review/>

color, nearly 8 in 10 are in a family with at least one worker, and 71% are adults living below poverty.³

- Travis County residents under age 65 who are low-income have an uninsured rate of 26% – over twice the overall rate (13%) and more than three times the rate for non-low-income residents (7%). People with higher incomes are most likely to have employer-based health coverage. People earning lower incomes are less likely to receive this benefit.⁴
- In 2019, 21.5% of Travis County residents ages 18-64 did not have health insurance coverage. Travis County has a lower estimated prevalence of uninsured residents than Texas overall, at 28.4% for the same year. The percentage of residents without health insurance has fluctuated only slightly over time from 2011-2019, ranging from a low of 20.2% in 2016 to a high of 31.5% in 2012.⁵
- In Travis County, the uninsured rate is highest for Hispanics, with 23% of Hispanics under age 65 uninsured. Travis County residents who are low-income have an even higher uninsured rate of 26% – almost twice the overall rate of 13%.⁶

Given that the federal government would cover 90% of the cost of expansion – bringing in an estimated \$5.41 billion in federal dollars to the state and \$172 million to Travis County annually⁷, as well as the unambiguous evidence illustrating the cost savings and positive outcomes of Medicaid coverage expansion, the City strongly urges that expanded health coverage be included in any path forward.

Sincerely,



Adrienne Sturup
Interim Director, Austin Public Health

³ *Who Could Get Covered Under Medicaid Expansion? State Fact Sheets* (Kaiser Family Foundation, Feb 10, 2021) <https://www.kff.org/medicaid/fact-sheet/uninsured-adults-in-states-that-did-not-expand-who-would-become-eligible-for-medicaid-under-expansion/>

⁴ Data source: 2018 American Community Survey 1 year estimate.

⁵ Data source: <https://data.austintexas.gov/stories/s/tw9i-pdx2>

⁶ Data source: 2018 American Community Survey 1 year estimate.

⁷ Laura Dague and Constance Hughes, Bush School of Government & Public Policy, Texas A&M University *County-Level Projections of Medicaid Expansion's Impact in Texas*. (Submitted to the Episcopal Health Foundation, Sept. 14, 2020) <https://www.episcopalhealth.org/wp-content/uploads/2020/09/Laura-Dague-Report-FINAL-9142020-1.pdf>