



# CITY OF HOUSTON

**Sylvester Turner**

Mayor

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February 25, 2019

The Honorable John Zerwas  
Chair, House Committee on Appropriations  
The Honorable Sarah Davis  
Chair, Subcommittee on Article II  
P.O. Box 2910  
Austin, Texas 78768-2910

Dear Chairman Zerwas, Chairman Davis and Members of the House Committee on Appropriations:

Effective October 1<sup>st</sup>, 2019 the Texas Health and Human Services Commission (HHSC) will implement changes to the Medicaid and Uninsured Care funding that has been afforded to the City of Houston under the Ambulance Service Provider Program (ASPP). We understand that these changes were required by the Centers for Medicare and Medicaid Services (CMS) and stemmed from negotiations during HHSC's extension approval process of the Section 1115 Transformation Waiver. However, these changes are expected to have a significant impact and reduce funding to our Fire and EMS department by \$23.3 million. Furthermore, unless action is taken by HHSC, these changes will require additional local and potentially state general revenue dollars in order to maintain life-saving services and operations at current response times.

The purpose of this letter is to urge you to take action to preserve our funding under the Medicaid ambulance service provider program. Doing nothing could have an impact on our ability to deliver our critical services to the communities you represent or result in the need for additional funding potentially through an increased tax burden to our local communities.

Instead we ask you to direct HHSC to take immediate action to establish mechanisms for Medicaid supplemental payments effective October 1st, 2019 to help offset any potential reductions in funding due to the changes to the legacy funding mechanism. This would allow our Department to re-establish and preserve Medicaid supplemental funding streams previously authorized under the Section 1115 waiver that will be removed effective October 1st, 2019. Specifically, we request you direct HHSC to do the following:

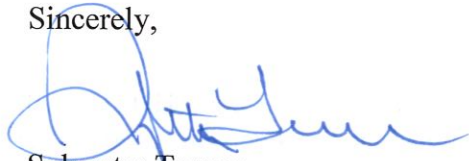
1. HHSC should submit a Medicaid State Plan Amendment and TAC rules to re-establish ***Medicaid FFS supplemental payments*** to be effective for state fiscal year 2020.

2. HHSC should implement an *enhanced Medicaid Managed Care fee schedule for public ambulance providers*. This request is consistent with the Uniform Hospital Rate Increase Program (UHRIP) that was recently approved by CMS on behalf of Texas hospitals.

The proposed Medicaid supplemental payment strategies will allow our Department and all of the government owned ambulance provider community to preserve nearly 100% of the critical funds we receive today. Not renewing a Medicaid supplemental payment strategy will result in significant losses to the public provider community. As a result, public providers may have to *increase fees to consumers or request additional funding from their local communities, which will most likely result in increases to local taxes*. Whereas a Medicaid supplemental payment strategy will result *in no additional state general revenue costs to the State of Texas*.

Thank you in advance for your support in preserving Medicaid funding streams for our Department and the communities we so proudly serve.

Sincerely,



Sylvester Turner  
Mayor