



GOVERNOR GREG ABBOTT

September 29, 2015

Ms. Vikki Wachino
Deputy Administrator and Director
Centers for Medicare and Medicaid Services
Center for Medicaid and CHIP Services
7500 Security Boulevard, Mail Stop: S2-26-12
Baltimore, Maryland 21244-1850

Dear Ms. Wachino:

The State of Texas submits the attached application to extend its Section 1115 Demonstration Waiver. As part of the extension request, the Texas Health and Human Services Commission (HHSC) engaged in extensive public notice activities in compliance with federal transparency requirements and the public and tribal consultation requirements.

There are three major components within the current waiver and the extension application:

- Texas expanded the delivery of Medicaid managed care services statewide through the STAR, STAR+PLUS and Children's Medicaid Dental Services programs.
- The Delivery System Reform Incentive Payment (DSRIP) program has established 20 Regional Healthcare Partnerships to increase access to care and test innovative care.
- The Uncompensated Care program helps offset uncompensated costs of hospitals and other providers serving Medicaid and uninsured populations.

Texas has been very innovative in our policies to ensure Medicaid services are provided in a cost-effective manner through managed care. It is that efficient use of limited health care dollars, combined with the fact that states, local communities and hospitals face significant uncompensated care costs, which make this waiver so necessary for Texans. Therefore, HHSC is requesting an extension of all components of the waiver in order to continue the significant savings and efficiencies achieved in each program, further demonstrate innovative ways to deliver care and address the unique uncompensated care costs in Texas. The proposed effective date for the extension is October 1, 2016, for a five-year period ending September 30, 2021.

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Thank you for the opportunity to submit this waiver extension request. If you have any questions, please contact Lisa Kirsch, Director of Medicaid Policy and the Transformation Waiver at HHSC, at (512) 707-6096 or via email at lisa.kirsch@hhsc.state.tx.us.

Sincerely,

A handwritten signature in black ink that reads "Greg Abbott". The signature is written in a cursive, flowing style.

Greg Abbott
Governor

GA:kck