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The Senate of the State of Texas
Jane Nelson
Senate District 12

Committees:

FINANCE, CHAIR
SUNSET ADVISORY COMMISSION, CHAIR
LEGISLATIVE AUDIT COMMITTEE
LEGISLATIVE BUDGET BOARD
STATE AFFAIRS

September 10, 2015

Executive Commissioner Chris Traylor
Health and Human Services Commission
4900 N. Lamar Blvd
Austin, Texas 78751

Dear Commissioner Traylor:

I am writing to reiterate my strong support for the Health and Human Services Commission (HHSC) to follow the Legislature's clear written instructions and intent that adjustments to Medicaid therapy rates proceed in a manner that preserves access to these important services.

Last year, an independent study conducted by researchers at the Texas A&M School of Public Health concluded that Texas Medicaid rates for pediatric acute care therapy services are significantly higher than the Texas commercial rate, commercial rates in other states, and Medicaid rates in other states. This is in addition to research conducted by HHSC that demonstrated similar findings.

As a result, the Legislature included HHSC Rider 50 in the 2016-17 General Appropriations Act, which directs the Commission to reduce Medicaid pediatric acute care therapy rates to a more appropriate level. Rider 50 explicitly states that the Commission should consider access to care when implementing these rate reductions. Furthermore, federal law requires that in setting Medicaid rates states must preserve access to care.

We must re-align our rates to prevent taxpayers from being overcharged for these services. However, we need to move forward in a responsible manner that complies with Rider 50 and federal law. I believe, and have communicated to you, that the language in the rider gives the Commission the flexibility to phase-in the rate reduction to prevent any disruption in the delivery of these important services to children across the state.

Very truly yours,

A handwritten signature in black ink that reads "Jane Nelson". The signature is fluid and cursive, with the first name "Jane" and last name "Nelson" clearly distinguishable.

Senator Jane Nelson

CC: Governor Greg Abbott
Lieutenant Governor Dan Patrick

Speaker of the House Joe Straus
House Appropriations Committee Chairman John Otto