

Dear Hospital Executive:

I am writing to make you aware of specific provisions contained in President Biden’s “Build Back Better” Act (H.R. 5376) that would have a devastating impact on Texas hospitals, medical providers, and the people in our state who are uninsured or from underserved communities – including as hospitals continue to treat patients with COVID-19 complications.

As you may know, Build Back Better passed the House of Representatives on November 19, 2021 by a vote of 220 to 213. While the future of this legislation remains uncertain, Build Back Better includes several provisions of concern to our state. Section 30608 of the House-passed bill would cut Disproportionate Share Hospital (DSH) payments in Texas by 12.5% and drastically reduce payments to Texas’ uncompensated care (UC) program simply because Texas has rejected ObamaCare’s Medicaid expansion. There have been ongoing changes to provisions with this bill, however, the version passed by the House of Representatives contains these dangerous provisions.

To be clear: Build Back Better targets Texas because we are one of a dozen states that rejected the idea of giving Washington, D.C. greater control over healthcare in our state and now Washington Democrats want to punish Texas and other states by imposing massive cuts in Federal support for healthcare programs that serve the underserved and uninsured. Many states already benefit much more than our home state by receiving, on average, significantly higher DSH payments. Build Back Better will now exacerbate these differences by further reducing payments to Texas.

The below table reflects an estimate from the non-partisan Medicaid and CHIP Payment and Access Commission (MEDPAC) that details the proposed DSH cuts in Build Back Better.

State	Current Federal DSH	Proposed Reduction
Alabama	\$385,000,000	\$48,000,000
Florida	\$251,000,000	\$31,000,000
Georgia	\$337,000,000	\$42,000,000
Kansas	\$52,000,000	\$6,000,000
Mississippi	\$191,000,000	\$24,000,000
N. Carolina	\$370,000,000	\$46,000,000
S. Carolina	\$410,000,000	\$51,000,000
Tennessee	\$53,000,000	\$7,000,000
Texas	\$1,200,000,000	\$150,000,000
Wisconsin	\$118,000,000	\$15,000,000
Wyoming	\$300,000	MEDPAC Did not Score
TOTALS	\$3,381,000,000	\$423,000,000

As you can see, Texas alone will bear the brunt of the majority of the DSH cuts. This amounts to not only a cruel attack on our state's healthcare system but also on the people Texas hospitals, doctors, and nurses serve.

The non-partisan Congressional Budget Office (CBO) has estimated that the combined policy of DSH and UC cuts will cut \$34.5 billion in payments over the next ten years.¹ Approximately \$30 billion will be cut from Medicaid uncompensated care from four states, including Texas, which again will be the state most affected by the cuts.

Should the Senate take up this reckless legislation, it would be helpful for me to know how these policy changes would affect your hospital and your ability to treat uninsured patients. To that end, I would appreciate it if you could provide me with answers to the following questions:

1. Do you have an estimate of how much in DSH payments you stand to lose under the proposed policy?
2. Do you have an estimate of how much your hospital could lose in UC payments?
3. How would these policy changes impact your, or hospitals in general, ability to care for uninsured patients?
4. How do you think these changes in policy will impact Texas' uninsured?

I look forward to hearing from you and hope that together we can defeat those policies that would negatively impact you and those you serve.

Sincerely,



TED CRUZ
United States Senator

¹ CBO Cost Estimate for H.R. 5376, the Build Back Better Act: https://www.cbo.gov/system/files/2021-11/hr5376_title_III_EC.xlsx