



## OFFICE OF THE COUNTY JUDGE County Of Hidalgo

RAMON GARCIA  
County Judge

May 14, 2013

Dr. Kyle Janek, Executive Commissioner  
Health and Human Services Commission  
Brown-Heatly Bldg., 4900 North Lamar Blvd.  
Austin, TX 78751

Dear Commissioner Janek:

Hidalgo County has chosen to participate in the Texas Transformation & Quality Improvement Medicaid 1115 Waiver (the "Waiver") by working with our local Major Safety-Net hospitals to improve access, availability, efficiency, delivery, and funding for healthcare services in our community. As you may know, Hidalgo County has a tremendous number of patients that are unable to purchase any form of health insurance and that qualify for our local indigent care program. Our safety-net providers provide a tremendous amount of uncompensated care. To strengthen our local safety-net, we are working with our safety-net providers via the waiver to find ways to help patients in our community.

In furtherance of the goal identified above, Hidalgo County Commissioners' Court has participated in the supplemental payment program since the creation of the Texas Medicaid Inpatient Upper Payment Limit Program ("UPL"). Similar to the UPL program, payments under the Waiver are supported by intergovernmental transfers ("IGTs"). To promote transparency, Hidalgo County implemented a process in 2006, whereby the Commissioners' Court approves each IGT.

As part of this process, the County approves a gross IGT for all affiliated hospitals and relies on the state to divide that IGT and issue supplemental UPL payments to the hospitals based on the State's payment methodology. Specifically, the County historically relied on HHSC to make payments to each hospital based on a pro-rata share of each hospital's UPL capacity. Never once has the County Commissioner's Court expressed any desire to specifically direct any portion of the IGT to fund supplemental payments to any specific hospital.

Hidalgo County recognizes that under the Waiver, the County has the option of directing IGTs to specific hospitals based on any number of different reasons. Because the County is not in a position to fully fund the UC payments for our local safety-net hospitals, however, we think the fairest, most transparent, and most reasonable approach is to continue the practice of relying on HHSC to issue all UC payments and any necessary reconciliations for any past or future payments based on a pro-rata share of the uncompensated care provided by each one of our providers.

This desire is expressly supported via an action taken by Hidalgo County Commissioners' Court on May 14, 2013. A copy of the certified minutes is attached to this letter.

Please let us know if you need any additional information.

Warmest Regards,

---

Ramon Garcia  
Hidalgo County Judge

Reviewed and Approved as to Legal Form:

---

Steve Crain  
Hidalgo County Attorney