



April 3, 2024

Cecile E. Young  
Executive Commissioner  
Texas Health and Human Services Commission  
P.O. Box 13247  
Austin, TX 78711-3247

Dear Commissioner Young:

We write to express our deep concerns regarding the recent Notice of Intent to Award for RFP No. HHS0011152–STAR & CHIP Managed Care Services issued by the Texas Health and Human Services Commission (HHSC). We urge you to postpone the decision on this matter for at least one year due to its significant implications and impact, especially if the Driscoll Health Plan (DHP) is excluded.

DHP currently serves 23 counties in South Texas and has been a steadfast non-profit entity dedicated to the region for more than two decades. Unlike the for-profit entities under consideration, DHP bases its headquarters and leadership in Corpus Christi and operates with nearly 500 employees spread across five offices in South Texas. As a non-profit entity headquartered in Texas, its funding is channeled toward serving our constituents' needs and keeps jobs in our communities. DHP's exclusion from this Award would not only disrupt the continuity of care for 180,000 of our constituents, but also sever crucial health care relationships developed over the years. What's more, DHP estimates an annual expenditure of \$1.2 billion in the service area, with a substantial portion of these resources remaining within the region, instead of directing administrative fees out-of-state, as the new entities would.

It is important that the decision-making process acknowledges the significant contributions and expertise of DHP in addressing the healthcare needs of our region. Despite being recognized by HHSC as the top-performing managed care organization in terms of quality, the criteria for this Award overlooked experience, past performance, and value. It also seems that HHSC did not take into consideration our communities' needs and preferences, nor did it seek input from legislators, providers, or other stakeholders impacted by the decision.

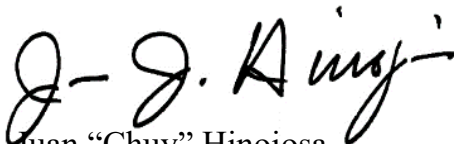
As a managed care organization with decades of service to the state, DHP consistently has demonstrated high performance and positive outcomes. More important, denying DHP an award would inflict irreparable harm on many of our most vulnerable constituents in South Texas.

Clearly, DHP plays a vital role in meeting the healthcare needs of our communities. It ensures access to subspecialty care for our children and pregnant women. It's also important to highlight the services and savings DHP provides as a partner with the state: DHP has been pivotal in reducing maternal morbidity, mortality, and improving infant outcomes by funding not only 75 percent of the maternal fetal medicine specialists in South Texas, but also mental health resources for children. What's more, DHP annually invests more than \$10 million in maternal fetal medicine incentives to subsidize physician costs. This investment has helped improve overall birth outcomes and significantly reduced NICU costs, saving the state approximately \$1.056 billion between 2008 and 2022. These outcomes and services are a result of DHP's direct investment in our communities and its stewardship of state resources.

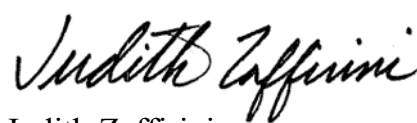
For these reasons and more, we urge you to remove the MCO-related procurement caps—those setting the maximum number of MCOs per Service Area and the maximum number of Service Areas per MCO—to create more robust competition among MCOs across the state. Each MCO would benefit from such a decision, but, more important, Medicaid members, providers, and our communities would not be subject to the sizable disruption that is certain under the current course. If you do not feel such authority to make this change is available under our procurement laws, we ask you to delay finalizing these awards. The Texas Legislature will meet in Regular Session beginning on January 14. Through legislative review, any outstanding issues to developing a broader, market-based approach could be resolved well before the currently intended contract start date of September 1, 2025.

Thank you for your attention to this request. Please contact us immediately if you have any questions or need additional information.

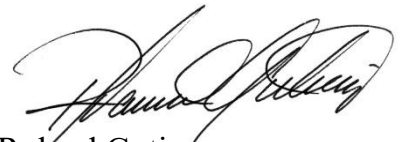
Respectfully,



Juan "Chuy" Hinojosa  
State Senator, District 20



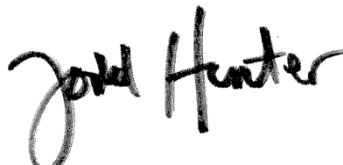
Judith Zaffirini  
State Senator, District 21



Roland Gutierrez  
State Senator, District 19




Morgan LaMantia  
State Senator, District 27



Todd Hunter  
State Representative, Dist. 32



Abel Herrero  
State Representative, Dist. 34



Geanie W. Morrison  
State Representative, Dist. 30



Ryan Guillen  
State Representative, Dist. 31



Oscar Longoria  
State Representative, Dist. 35



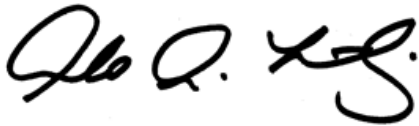
Sergio Muñoz, Jr.  
State Representative, Dist. 36



Janie Lopez  
State Representative, Dist. 37



Erin Gamez  
State Representative, Dist. 38



Armando "Mando" Martinez  
State Representative, Dist. 39



Terry Canales  
State Representative, Dist. 40



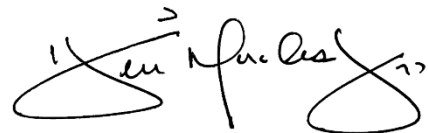
R.D. "Bobby" Guerra  
State Representative, Dist. 41



Richard Peña Raymond  
State Representative, Dist. 42



J.M. Lozano  
State Representative, Dist. 43



Eddie Morales  
State Representative, Dist. 74



Tracy King  
State Representative, Dist. 80