



Physicians Caring for Texans

March 11, 2022

The Honorable Chiquita Brooks-LaSure  
Centers for Medicare & Medicaid Services  
U.S. Department of Health and Human Services  
200 Independence Ave. SW  
Washington, DC 20201

Submitted via: [Regulations.gov](https://www.regulations.gov)

Dear Administrator Brooks-LaSure,

On behalf of more than 55,000 Texas physicians and medical students, I write in response to the [notice](#) with request for comment that seeks an exception to the prohibition on expansion of facility capacity under the hospital exceptions to the physician self-ownership and rural provider referral prohibition, as published in the Feb. 9, 2022 *Federal Register*.

It is Texas Medical Association [policy](#) to support the development of physician-owned and physician-directed health care delivery systems. As such, we fully support the physician-owned hospital high Medicaid facility expansion application of Doctors Hospital at Renaissance, Ltd. (DHR Health).

DHR Health is a prime example of what can happen when physicians are allowed to play a greater role in the delivery of health care. Founded 25 years ago as a small surgery center by eight pioneering physicians, DHR Health has grown into a full-fledged community health system with four hospitals, 60-plus locations, 500-plus beds, 1,300-plus nurses, 150 residents and fellows training in twelve graduate medical education programs, and 700-plus physicians on medical staff. Prior to DHR Health, the Rio Grande Valley did not have access to many specialized or advanced healthcare services. Being a physician-led, locally owned and operated health system has allowed DHR Health to recruit more physicians and clinical staff to meet the growing needs of its community and to continually invest to raise the standard of care.

The Rio Grande Valley is home to nearly 1.4 million<sup>1</sup> Texans living in four counties in South Texas – Cameron, Hidalgo, Starr, and Willacy – covering nearly 5,000 square miles. While it is one of Texas' fastest growing regions, it also remains one of the poorest, resulting in enormous socioeconomic and health care challenges. More than 27% of families residing in the Rio Grande Valley earn less than poverty compared with 11.5% for the rest of Texas<sup>2</sup>. Among children, the Rio Grande Valley poverty rate (46%) is twice the statewide average (23%)<sup>3</sup>.

Moreover, the region has the highest uninsured rate in the country (30%)<sup>4</sup>. Among children, Hidalgo County has the 7th highest rate of uninsured children in the country. According to the Texas Health and Human Services Commission, as of November 2021, an estimated 438,780 RGV residents are enrolled in Medicaid, roughly 70 percent of whom are pregnant women and children, with the remainder primarily people with disabilities and seniors. As a safety net hospital, DHR Health serves all patients in the region and offers high

---

<sup>1</sup> [Texas Counties: Population from the 2020 Census \(txcip.org\)](https://www.txcip.org)

<sup>2</sup> [RGV Health Connect :: Demographics :: Region :: Rio Grande Valley](#)

<sup>3</sup> The rate of child poverty in the Rio Grande Valley is nearly twice as high as the statewide child poverty rate.

<sup>4</sup> <https://aspe.hhs.gov/reports/state-county-local-estimates-uninsured-population-prevalence-key-demographic-features>

quality healthcare. Approximately 44% of DHR Health's patients are Medicaid and DHR Health provides approximately \$70 million in charity care annually.

Poverty contributes to the region's poor health status. The Rio Grande Valley has an epidemic of chronic conditions and diseases, including obesity and diabetes, as well as higher rates of pre-term births. Over the past decade, DHR Health has invested hundreds of millions of dollars to raise the standard of care, increase access to care, and improve health outcomes. For example, DHR Health has more than 60 locations across the Rio Grande Valley providing access to specialized services for low-income and uninsured patients. For example, to prevent diabetes-related complications, DHR Health established a mobile diabetes eye clinic to provide low or no cost diabetes eye wellness exams to the indigent as well as a comprehensive endocrinology diabetes care program that provides medical care, nutrition counseling, and social services to help diabetic patients better manage their disease.

Additionally, DHR Health has taken to lead in improving health outcomes for expectant mothers and babies alike. The Women's Hospital at Renaissance is the only freestanding dedicated women's hospital south of San Antonio, operating as a state-designated Level IV maternal care facility (the highest designation) and a level III neonatal facility. Together, these designations mean the facility can take care of complex pregnancies and/or neonatal conditions. In 2021, the hospital delivered nearly 8,000 babies, 73% of whom were Medicaid eligible. Additionally, to help reduce maternal mortality and improve outcomes for high-risk pregnancies, DHR Health established a maternal-fetal medicine program (MFM) which provides a full-range of gynecologic and reproductive healthcare services, from pre-conception through delivery. The MFM program specializes in the diagnosis, treatment, and ongoing care for expectant mothers and their unborn babies who are at a high risk for serious health problems.

Physicians have an ownership stake in approximately 200 hospitals across the U.S., operating in 34 states, including Texas. The physician-owned hospital moratorium has stifled competition, limited job growth, inhibited innovation, and restricted patient access. These restrictions also interfere with physician autonomy, patient choice, and the patient-physician relationship.

We support DHR Health's application for expansion and request that the Centers for Medicare & Medicaid Services grant the application quickly.

We appreciate the opportunity to comment. If you have any questions, please do not hesitate to contact Helen Kent Davis, TMA associate vice president for governmental affairs, at [helen.davis@texmed.org](mailto:helen.davis@texmed.org).

Sincerely,



E. Linda Villarreal, MD  
President  
Texas Medical Association