



Health and Human Services

Hospital Payment Advisory Committee

February 3, 2026

This summary contains supplemental information from reliable sources where that information provides clarity to the issues being discussed. Power Point tables used in the presentations may also be used in this summary. Names of individuals may be misspelled but every attempt has been made to ensure accuracy. Tables and Text have been used from executive and legislative agencies and departments' presentations and publications.





[Hospital Payment Advisory Committee](#), a subcommittee of the Medical Care Advisory Committee, advises that committee and HHS about hospital reimbursement methodologies for inpatient hospital prospective payment and on adjustments for disproportionate share hospitals. Members:

Frank L. Beaman (RHAC member)

Faith Community Health System
Jacksboro

John Henderson (RHAC member)

Texas Organization of Rural and
Community Hospitals (TORCH)
Round Rock

Michael L. Nunez

University Medical Center of El Paso
El Paso

Jerry Pickett (RHAC member)

Bosque County District Hospital
Clifton

Todd Scroggins (RHAC member)

Wise Health Systems
Decatur

Stuart Archer

Oceans Healthcare
Plano

James Blasingame

Dallas County Hospital District
Plano

Andres Duran

Dimmit Regional Hospital
Carrizo Springs

Steven Maddux

UMC Health System
Lubbock

Susan Parker

Kimble Hospital
Junction

Kent Pickering

University of Texas Medical
Tiki Island

Kathleen Sweeney

HCA Healthcare North Texas
Keller

Emilee Stratton

Childress Regional Medical
Childress

James Bacon

MedGroup Advisors
Amarillo

1. Welcome, introductions, and opening remarks. The meeting was convened by Michael L. Nunez, Chair.

2. Consideration of November 6, 2025, draft meeting minutes. The minutes were approved as drafted

3. Consideration of Officer Election Procedures. The standard advisory election procedure was presented and approved.

4. HPAC Officer Election The following were elected using the adopted procedure
Vice-Chair-- Kathleen Sweeney



Chair-- Michael L. Nunez

5. Consideration of draft revisions to HPAC Bylaws.

The bylaws (standard changes for all advisory committees) were approved. were

6. Rural Hospital Advisory Committee (RHAC) report out from

February 3, 2026. Texas Insight provided coverage for this meeting and it can be accessed at [Rural Hospital Advisory Committee – Texas Insight](#)

7. Comprehensive Hospital Increase Reimbursement Program (CHIRP)

September and October Managed Care Organization (MCO) capitation payments for state fiscal year (SFY) 2026—They are being paid on a monthly basis based on CHIRP rates.

Re-adjudication timeline for September and October 2025—no update

Intergovernmental Transfer (IGT) refund process for recoupments 2023—HHSC is actively sending out the refunds, and a notice will be sent out on when the payments will be sent out.

One Bill Beautiful Bill Act (OBBA) Medicare Average Commercial Rate (ACR) to Medicare Equivalency definition update—HHSC is building the ability to price every claim to determine what Medicaid would have paid and they are waiting on TMHP building out the system to accommodate this change. It will be for 9/1/27 start period.

Preprint submission timeline for SFY 2027—Submission will be early to mid-May

8. Alternate Participating Hospital Reimbursement for Improving Quality Award (APHRIQUA)

2025 final payment schedule date and percentage—The final score card was posted in October of last year. The final payment reconciles what has ben paid adjusted for enrollment number and performance.



Fiscal year 2026 upcoming payment timeline. January is the first payment deadline, then April, then the final payment in October.

9. Aligning Technology by Linking Interoperable Systems (ATLIS)

program year 2026 update—The ATLIS program is being terminated effective immediately. There was a lack of alignment between health plans and providers. All references to the program have been eliminated from the website. There is no program in development to replace the program.

10. Disproportionate Shares Hospitals (DSH)/ Uncompensated Care

(UC) 2026 Medicaid DSH reductions update The House did pass the bill.

HHSC stated they still need to see signed legislation then they will pay according to law. There could be a catchup payment, based off the higher allotment amount.

11. General Medicaid funding and supplemental payment updates:

Discussion of Advanced Payments Revisions for supplemental payment

programs—There was a discussion last time about advanced payments and scheduling. This topic is still open for discussion at HHSC.

State of Texas Electronic Provider System (STEPS) transition update—The new system is operating, and people can complete enrolments through the system. This will provide a one stop system for enrollment. Open enrollment is between February 2 through the 23rd.

Inpatient Rebasing update—HHSC is conducting the exercise, and the data should be available in late June to start the process. The intent of the rebasing to rebase within existing funds within each class. Rate tables will be available before the next legislative session showing the changes and funding needed.

All-Patient Diagnosis Related Group (AP-DRG) Grouper update—These are reviewed annually, but there is no update for this year. The updates are hooked to rebasing.

12. Public comment No public comment was offered



13. Proposed next meeting.

Future meetings:

- May 5, 2026
- August 6, 2026
- November 5, 2026

14. Adjourn. There being no further business, the meeting was adjourned.

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