THE 85TH LEGISLATIVE SESSION

Outcomes for Texas Hospitals

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The Texas Legislative Session

- Biennial Regular Session for 140 Days
- Second Tuesday of January
- 6,631 Bills Filed in 2017
- THA Tracking 1144 Bills in 2017
- Sine Die, May 29
- Special Session called by Governor began July 18
Legislative Process in Theory
Legislative Process in Reality
140 Days Every Other Year

The average legislative office handles the following during the 140-day session:

- 7,000 + bills
- 6,000 telephone calls
- 5,000 drop-in visitors
- 8,000 letters
- 15,000 emails
- 600 event invitations
SESSION OVERVIEW

- Competing Priorities:
  - House: CPS reform, school finance, mental health
  - Senate: school choice, border security, property tax relief, bathrooms

- State Fiscal Situation
  - $10 B less in available revenue than last session
  - $2 B less appropriated for Medicaid in spite of increased caseload and costs.
THA Priorities for 85th Legislative Session

- Medicaid Rates that Reflect Cost of Care, Protect Access to Care and Reduce Reliance on Supplemental Payments.
- Continue 1115 Transformation Waiver.
  - UC and DSRIP Incentive Payments
- Maintain Trauma, Rural, and Safety-Net Medicaid payments.
- Continued Funding for Physician, Nurse, Health Care Professionals.
- Funding to Support a Strong Behavioral Health Care System.
Hospital Medicaid Rates Today

- Most Texas hospitals are reimbursed at < 60% of inpatient cost and ~ 72% of outpatient cost in the Medicaid program.
- Increasing reliance on a shrinking pool of supplemental payments (DSH, UC).
- Health care safety net is straining to meet the needs of a growing population.
- DSH and UC are hospital-funded for the state share.
- Priority: Medicaid Reimbursement Rates that Reduce Medicaid Shortfall, Reduce Reliance on Supplemental Payments and Protect Access to Care.
Growth in Medicaid is Caseload

- 4.2 million enrolled in Medicaid.
  - 3.1 enrolled are children
  - Increase of 2 million since 2000
  - Children are only 30% of expenditures in Medicaid
    - Elderly & Disabled account for 60% of cost but only 30% of enrollees
- 1 in 4 children live in poverty.
- 1000+ a day are moving to Texas.
Uncompensated Care Increasing

Importance of UC funds in waiver

- Medicaid shortfall remains high.
- Texas continues to have highest percentage and number of uninsured in nation.
- Rural areas have some of the highest uninsured rates, with some communities at more than 30% uninsured.
## Uncompensated Care in Behavioral Health

<table>
<thead>
<tr>
<th>Which adult Texans with mental Illness <em>get</em> coverage?</th>
<th>Which adult Texans with mental illness <em>don’t</em> get coverage?</th>
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<tr>
<td>• Those who meet the high bar of severity for disability benefits (SSI-related Medicaid)</td>
<td>• Those under the poverty line who are not pregnant, disabled, or with children and at extremely low incomes do not get coverage</td>
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<tr>
<td>• Those who have high enough incomes to pay private market insurance premiums</td>
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<td>• Parents with extremely low incomes (less than $4600/year for family of 4)</td>
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<td>• Those with incomes between 100% and 400% of the Federal Poverty Line can receive financial assistance in paying for private insurance (Marketplace)</td>
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<tr>
<td>• Those who receive employer-based coverage (employment rates of individuals with serious mental illness are extremely low)</td>
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As a result, about a quarter of Texas adults in the coverage gap have a mental illness—over a million have a severe mental illness—but only 1 in 6 qualified for mental illness disability-based Medicaid in 2014.
Maintain Trauma Funding

- 288 designated trauma facilities statewide:
  - 17 Level 1 Centers; 15 Level 2 Centers
  - 57 Level 3 Centers; 199 Level 4 Centers
  - 16 currently undergoing the designation process

- Since the 2003 passage of dedicated funding stream (the DRP), 77 NEW designation facilities in Texas

- DRP funds are used for the Medicaid hospital rate add-on, uncompensated trauma care

- 14 Bills filed on DRP
  - 6 to repeal the program;
  - 8 to tinker with the program
Funding for Health Care Workforce

- Continue to fund Graduate Medical Education to ensure we keep Texas educated physicians practicing in Texas.
  - GME Expansion = $97M

- Nursing shortage continues, exacerbated by lack of nurse faculty. Support continued funding of Professional Nursing Shortage Reduction Fund to allocate upfront money to schools with high graduation rates.
  - $20 million
Continue the 1115 Medicaid Transformation Waiver

- Redesigned the delivery of health care in Texas.
- Saved more than $8 billion over the five year period.
- Directs $6.2 billion a year in Medicaid managed care savings to Texas hospitals and other health care providers to:
  - offset some uncompensated care costs - Uncompensated Care (UC) Pool
  - support 1,491 projects that improve access to needed services (BH, primary care, specialty care, chronic care) and reduces health care costs - Delivery System Reform Incentive Payment (DSRIP) Pool
- The waiver was renewed in December, 2017 for 5 years from October 2017 – September 2022.
STATE BUDGET OUTCOMES FOR HOSPITALS

- Overall, the budget maintains $307 million in state funds and $715 million in AF for the biennium for add-on payments for trauma, safety net, and rural hospitals, and maintains $29 million in GR for uncompensated trauma care.
  - Trauma-designated hospitals: $153 M
  - Safety-net hospitals: $129 M
  - Rural hospitals: $25 M
- Requires HHSC to evaluate Medicaid funding initiatives for rural inpatient and outpatient hospital services to better prioritize funding for rural facilities.
BEHAVIORAL HEALTH
THA PRIORITY BEHAVIORAL HEALTH ITEMS

Texas hospitals supported:

- Increased state funding to ensure timely and appropriate access to services and supports for Texans with a behavioral health diagnosis.

- **H.B. 3083** – growing the substance use provider workforce by adding Licensed Chemical Dependency Counselors to the Mental Health Loan Repayment Program.

- **H.B. 10** – Increases TDI’s oversight of mental health parity to ensure health insurance plans offer equal coverage for mental and physical health care, creates an ombudsman position at TDI and requires a study of denial rates for behavioral health care services.
THA PRIORITY BEHAVIORAL HEALTH ITEMS

• Funding to Support a Strong Behavioral Health Care System.
  • The impact of an underfunded behavioral health care system is seen in reduced ED capacity, increased hospital readmissions and increased hospital uncompensated care.
  • The Texas Legislature invested $7.5 billion in the state behavioral health system.
    • $3.6 billion for Medicaid and CHIP behavioral health services.
    • $63 million to address the current and projected waitlists for community mental health services for adults and children.
    • $366 million for construction and repairs at state hospitals and other inpatient mental health facilities.
KEY BEHAVIORAL HEALTH BILLS

• HB 10 (Rep. Price) – Mental Health Parity
  • Creates a uniform regulatory structure – TDI will now enforce both quantitative and nonquantitative treatment limitations.
  • Creates an ombudsman for mental health, accessible to both providers and consumers.
  • Creates a stakeholder workgroup to inform the rulemaking process and enforcement.
  • Creates a study of insurance denials, prior authorization, etc. for both mental and physical health care.

• HB 14 (Rep. Murr) – Prohibits guns in state mental health hospitals
  • Authorizes state hospitals to prohibit handgun license holders from carrying a handgun on the state hospital property.
KEY BEHAVIORAL HEALTH BILLS – (cont.)

- **HB 13 (Rep. Price) – Community Matching Grant Program**
  - Creates a matching grant program for supporting community mental health programs.
  - Grants must be used for the sole purpose of supporting community programs that provide mental health care services and coordinate mental health care services with other transition support services.
  - 50% of the funding must go to communities with less than 250,000.

- **HB 3083 (Rep. Price) – Mental Health Loan Repayment for LCDCs.**
  - Adds Licensed Chemical Dependency Counselors to the Mental Health Loan Repayment Program.
  - Creates a focus on addiction specific professionals.

- **HB 3808 (Rep. Clardy) – Mental Health Loan Repayment for LMFTs.**
  - Adds Licensed Marriage and Family Therapists to the Loan Repayment Program.
KEY BEHAVIORAL HEALTH BILLS – (cont.)

- HB 337 (Rep. Collier) – Continuation of Medicaid Benefits
  - Allows incarcerated individuals the ability to suspend, rather than terminate Medicaid benefits while incarcerated.
  - Helps with continuity of care and reduction in uncompensated care.

- HB 1600 (Rep. Thompson) – Mental health screenings
  - Allows physicians to perform mental health screenings more than once per child to help with early intervention. Currently under Medicaid, physicians can only screen once every six years, between the ages of 12-18.

- SB 292 (Sen. Huffman) – Grant program to reduce recidivism
  - Creates a grant program to reduce recidivism and incarceration of individuals with mental illness.
KEY BEHAVIORAL HEALTH BILLS – (cont.)

• SB 584 (Sen. West) – Opioid Prescribing Guidelines
  - Seeks to address the steep increase in the number of deaths related to opioid overdoses by establishing guidelines for prescribing Naloxone.

• SB 674 (Sen. Hancock) – Expedited Licensing for psychiatrists
  - The bill creates a process to expedite licenses for psychiatrists relocating to Texas.

• HB 1486 (Rep. Price) – Peer Support
  - Requires the Health and Human Services Commission to include peer services provided by certified peer specialists in the scope of services provided by Medicaid.
Other Legislative Priorities
Health Care Pricing and Disclosure

**Goal**: Offer pricing transparency to consumers in the most effective and accurate way for hospitals.

**Results**: THA weighed in on several related bills, including the following:

- H.B. 3276 – notice of health benefit plan provider network status provided by certain freestanding emergency medical care facilities
- S.B. 507 – mediation of out-of-network health benefit claims involving balance billing
Telemedicine and Telehealth

- S.B. 1107 - provides for a clear and accountable regulatory structure regarding the establishment of a valid practitioner-patient relationship via telemedicine, settles the Teledoc/TMB lawsuit.

- HB 1697 – Establishes a pediatric tele-connectivity program for rural Texas to award grants to rural facilities to connect them with pediatric specialists and pediatric subspecialists in urban areas who provide telemedicine services.
Hospital Operations

Goal: Allow hospitals to manage and run their facilities and operations to best serve patients.

Result: THA killed and improved several bad bills.
- THA killed legislation that would have subjected private hospitals to open records requests under the Public Information Act.
- THA brokered a compromise, removing language from a bill that created new causes of action for physicians to sue their 501(a) physician groups.
- THA forged a compromise, amending bill language so that hospitals can continue to determine their own physician workforce.
Other Bills in 2017 Impacting Hospitals

- Open Carry – Guns in Hospitals – 114 bills on guns
- Health Professional Scope of Practice
- Abortion Reporting, Prohibitions
- Disposition of Fetal Remains
- Application of Texas Open Records Act
- Indexing Med Mal Tort Caps
- Local Revenue Caps
Questions?

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