



The Texas Hospital Association appreciates its work with the Texas Congressional delegation to ensure that Texas hospitals are the best in the nation — providing the highest quality of care to all Texans. To achieve these goals, Texas hospitals need financial stability and regulatory relief. Over the last decade, Texas hospitals led the nation in improving quality and safety for patients, posting huge performance improvement outcomes. At the same time, Texas hospitals transformed to provide innovative care delivery to meet the needs of a growing state with a diverse array of needs.

Today, **THA strongly urges the U.S. Congress to reject any cuts to payments for Texas hospitals. Since 2010, Texas hospitals already have sustained more than \$10 billion in federal Medicare funding cuts.** In addition, without Congressional action, Texas hospitals will have to contend with an additional \$256.2 million in federal Medicaid funding cuts beginning Oct. 1. **Funding cuts are incompatible with providing the highest quality of care to all Texans.**

THA has the following priorities for the 116th U.S. Congress:



- 1. Repeal or, at a minimum, delay, massive cuts to Medicaid disproportionate share hospital payments scheduled to take effect Oct. 1, 2019:**

If Congress does not **permanently repeal or delay Medicaid DSH cuts**, Texas hospitals will sustain an estimated \$256.2 million in federal funding cuts in 2020 and \$512.4 million in 2021. These cuts are the result of the Affordable Care Act that reduces Medicaid DSH payments in anticipation of a reduction in the number of residents without health insurance and the amount of uncompensated care hospitals provide. Texas, however, as a non-Medicaid expansion state, has seen the number of uninsured residents increase, becoming the state with the largest number of residents without health insurance.



- 2. Strengthen the Affordable Care Act so that more Texans without health insurance can purchase affordable, comprehensive private health insurance and choose coverage right for them and their families.**

Texas hospitals support policies that stabilize the existing marketplaces, protect risk adjustment programs, fully fund cost-sharing subsidies, promote outreach and enrollment and improve consumer choice.



- 3. Protect Texas hospitals from any additional payment or reimbursement reductions.**

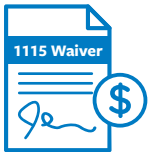
The ability to provide the highest quality care to all Texans requires that every single Texas hospital has the resources to invest in workforce, equipment, operations, infrastructure and community outreach. **Cutting hospital payments and using hospital funding cuts as the “pay fors” for other policy goals actively works against hospitals** being able to meet the health care needs of a population that is growing faster than any other state's and is demographically diverse.



4. Ensure that any proposals to cap states' federal Medicaid funding include protections so that coverage, access and reimbursement are not adversely affected.

A financially healthy safety net, that includes Medicaid, to provide care for a state's most vulnerable residents is essential. Capping the amount of federal Medicaid funding a state can receive has the potential to deprive states, particularly those growing ones like Texas, of funding necessary to ensure timely, appropriate access to medically necessary health care.

Any proposal to cap federal Medicaid funding should include: a funding baseline that is related to the need for services and ensures adequate reimbursement for hospitals and other health care providers; funding allocation that accounts for supplemental payments and associated method of finance; state-specific adjustments to the funding allotment that account for demographic and other population factors; and financial protections for states in the event of economic downturn or recession.



5. Support funding of hospital supplemental payments through the Medicaid 1115 Waiver and protect the state's use of permissible, locally responsive financing arrangements that provide the required non-federal share of payments.

Texas' Medicaid 1115 Waiver is a national model of innovation and efficiency. Steadfast support from the Texas Congressional delegation has been instrumental in continuing the Waiver and the vital \$6.2 billion a year it contributes to Texas hospitals and other health care providers. With significant changes to Waiver payments imminent and discussions with the Centers for Medicare & Medicaid Services continuing over the method of finance for generating the state share of Waiver payments, Texas hospitals will rely on continued Congressional support.



6. Ensure that any efforts to increase and enhance price transparency include all relevant stakeholders, including health insurance plans.

Texas hospitals are committed to making sure that patients understand the costs of services and what is covered. For elective and scheduled procedures, hospitals share information with patients on expected charges. Health insurance plans, however, have a significant role to play in working with insured patients so they understand their specific network and benefit limits and cost-sharing obligations.

True price transparency requires the engagement of providers, payers and consumers.



7. Protect Texas' rural hospitals

Nineteen of Texas' rural hospitals have closed since 2013 – the most of any state. In addition, only 66 of the state's rural hospitals still provide labor and delivery services. These rural hospital closures and service cutbacks leave thousands of constituents without access to local emergency, obstetrics, chronic disease and inpatient hospital care. **Texas hospitals support policy that continues all funding protections for rural hospitals**, including Medicare reimbursement for critical access hospitals at 101 percent of costs, as well as policy that gives rural hospitals flexibility necessary to restructure themselves to meet their communities' unique needs.



TEXAS HOSPITALS' LANDSCAPE



**MORE RURAL
HOSPITALS
THAN ANY
OTHER STATE**

19

**MORE RURAL
HOSPITAL
CLOSURES
THAN ANY
OTHER STATE**

4.8 Million
**MORE
RESIDENTS
WITHOUT
HEALTH
INSURANCE
THAN ANY
OTHER STATE**

425
**SECOND MOST
MENTAL HEALTH
PROFESSIONAL
SHORTAGE AREAS
IN THE COUNTRY**