

Texas hospitals strive to provide the highest quality care to any Texan who seeks care at their facilities. Federal law also requires hospitals to provide, at a minimum, a medical screening to anyone who seeks it and to provide stabilization and treatment services for an emergency medical condition, regardless of a patient's ability to pay.

Health care services that are not paid for constitute a significant financial burden for all Texas hospitals. Throughout 2017 as the new administration and U.S. Congress debate changes to how health care is paid for and delivered, Texas hospitals will continue to **advocate for state and federal health care policies that:**



Ensure fair and reasonable payment for services provided



Provide stable and predictable funding to support continued investment in workforce training and initiatives to further improve quality of care and patient safety



Promote access to affordable private health insurance for the uninsured

**Texas hospitals** advocate for the following nine public policy priorities to support our work.

## 1 Medicaid Reimbursement Rates that Reduce Reliance on Supplemental Payments and Protect Access to Care



Medicaid reimbursement rates traditionally have been well below the cost of care for both inpatient and outpatient hospital services. Most Texas hospitals are reimbursed at less than 60 percent of costs for providing inpatient health care to those in the Medicaid program. The result is increased reliance on a shrinking pool of hospital supplemental payments and a health care safety net straining to meet the needs of a growing population.

Texas hospitals support the 84th Texas Legislature's actions to target a Medicaid reimbursement rate increase to those hospitals that serve a large number of Medicaid and uninsured patients. We also support increasing Medicaid reimbursement rates to more accurately reflect the cost of delivering care.

Texas hospitals understand the state's interest in having more flexibility in how it administers the Medicaid program. As fundamental changes to the Medicaid entitlement are considered, Texas hospitals encourage the inclusion of: 1) a funding baseline that is related to the demand for services and ensures adequate reimbursement for providers; 2) protections for states with large low-income populations; and 3) financial protections for states in the event of an economic downturn or other times of financial distress.

## 2 Improving the Availability of Private Health Insurance for the Uninsured



Texas leads the nation in number and proportion of residents without health insurance. More than 19 percent of Texans (approximately 5 million) lack health insurance. The consequences of such a high uninsured rate are many and include:

- a significant uncompensated care burden for hospitals;
- higher costs for the privately insured;
- higher costs for local taxpayers; and
- reduced productivity and profits for Texas employers.

Texas hospitals support improving the availability of private health insurance so that more Texans have access to appropriate, timely and affordable health care.

## 3 Continuing Uncompensated Care Funding Through the Medicaid 1115 Transformation Waiver



The Texas Health Care Transformation and Quality Improvement Program, otherwise known as the 1115 Medicaid Transformation Waiver, redesigned the delivery of health care in Texas to make it more efficient and effective. Scheduled to expire at the end of December 2017, the waiver provides about \$6.2 billion a year to Texas hospitals and other health care providers to offset some uncompensated care costs and support projects that improve access to needed services and reduce health care costs.

Texas hospitals support the continued availability of a robust uncompensated care payment pool through the 1115 waiver. This vital source of supplemental payments will be even more critical if the coverage provisions of the Affordable Care Act are rolled back and the number of uninsured Texans increases.

## 4 Maintaining Funding for the State's Trauma Care Network



Texas has 289 designated life-saving trauma care facilities that provide care when and where it is needed in the event of a car accident, mass casualty event or other type of trauma incident. In these cases, time is the enemy and having a qualified trauma facility nearby can mean the difference between life and death.

Ensuring that the state's trauma care network can continue to meet the needs of a rapidly growing population requires adequate funding. One-third of all trauma patients in the state have no health insurance. Texas trauma facilities currently provide more than \$250 million in unreimbursed care each year. Without funds from the state's Driver Responsibility Program, this unreimbursed care amount would be even greater, and the state would have fewer designated trauma facilities. In 2015, the DRP provided \$55 million to state trauma hospitals to offset a portion of their uncompensated trauma care.

Whether it is the DRP or another dedicated source, Texas hospitals and Texans need a stable source of trauma care funding.

## 5 Funding to Support a Strong Behavioral Health Care System



Texas historically has ranked at the bottom of states in per capita mental health funding, although appropriations by the 83rd and 84th Texas Legislatures have increased funding for behavioral health care in Texas. The state has too few inpatient beds for patients with severe behavioral health needs, and outpatient behavioral health care services are not sufficiently available to keep individuals out of behavioral health crisis or to manage chronic behavioral health needs.

Texas hospitals support:

- state funding to ensure timely and appropriate access to inpatient, outpatient and community-based services and supports for Texans with a behavioral health diagnosis;
- growing the substance use workforce by adding Licensed Chemical Dependency Counselors to the existing Loan Repayment Program for Mental Health Professionals; and
- increasing the Texas Department of Insurance's authority to enforce the federal mental health parity law.

## 6 Ensuring Hospitals Receive Timely, Accurate Payments for Care Provided



Texas currently has a strong prompt-pay penalty structure that ensures insurance companies pay doctors and hospitals for the care they provide in a timely fashion.

Texas hospitals support the current Prompt Pay Act and will continue to work to ensure that doctors and hospitals are paid on time for health care services provided.

## 7 Continued Funding for Physician, Nurse, Behavioral Health Professional and Allied Health Professional Education and Training



Texas has too few physicians to meet the health care needs of its rapidly growing population. Statewide, there is a severe shortage of primary care physicians, as well specialists in a number of disciplines, including pediatrics, endocrinology and geriatrics. The number of psychiatrists and other behavioral health care professionals is insufficient to serve all Texans living with mental health or substance abuse issues. More than 80 percent of Texas counties are designated as mental health professional shortage areas; 70 percent of counties have no practicing psychiatrists. The state also has well-documented shortages of nurses and allied health professionals.

Texas hospitals support continued appropriations to address the state's critical shortage of physicians, nurses and behavioral health care professionals. Support for the Nursing Shortage Reduction Fund, the state's Graduate Medical Education programs and the loan repayment program for behavioral health care professionals should be continued.

## 8 Maintaining the Existing Prohibition on Carrying Firearms in Hospitals



Since 1995, Texas state law has prohibited the possession of handguns in state-licensed hospitals.

Texas hospitals support both the second amendment to the U.S. Constitution and existing state law prohibiting the possession of handguns in state-licensed hospitals.

## 9 Preserving Access to Care in Rural Communities



Rural Texas hospitals have unique needs and challenges. They cover 85 percent of the state's geography and provide access to routine and emergency health care for 15 percent of the state's population. Compared with their urban counterparts, they serve a larger proportion of older, uninsured and publicly insured patients and, as such, are particularly vulnerable to any cuts to Medicare and Medicaid. Since

2010, 10 rural Texas hospitals have closed, the most of any state, leaving residents without access to emergency and inpatient hospital care.

Texas hospitals support Medicaid and Medicare reimbursement policies that maintain rural hospitals' ability to serve their communities.

© 2017 Texas Hospital Association. All Rights Reserved

According to Texas Government Code 305.027, this material may be considered "legislative advertising." Authorization for its publication is made by John Hawkins, Texas Hospital Association, 1108 Lavaca, Austin Tx 78701-2180.