

# Capping County Revenue Hurts Health Care in Texas

Texas hospitals oppose limiting local jurisdictions' ability to generate revenue for essential services. Such limits would have a detrimental effect on health care quality and access across Texas.

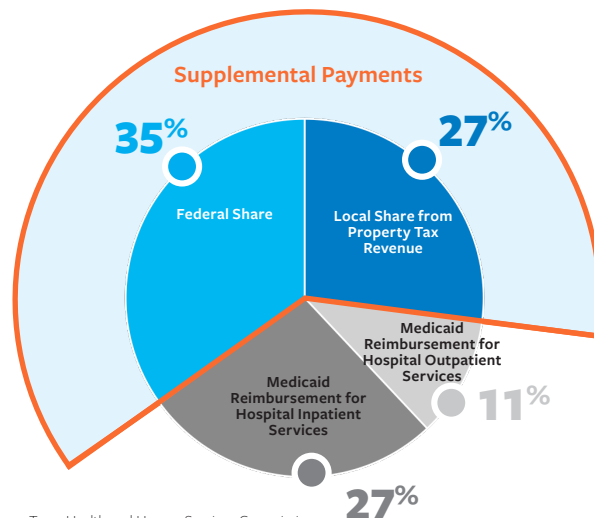
**BECAUSE THE STATE UNDERFUNDS HEALTH CARE SERVICES, TEXAS HOSPITALS AND THE PATIENTS WE SERVE RELY ON LOCAL PROPERTY TAX REVENUE.**

**Medicaid inpatient and outpatient reimbursement only partially covers the costs of care** so hospital districts collect tax revenue to earn federal supplemental payments through the 1115 Medicaid Transformation Waiver and the Disproportionate Share Hospital Program to help bridge the gap between care costs and available funding.

**Local tax revenue constitutes a major portion**—almost 30 percent—**of all Medicaid hospital payments** for necessary health care services. When combined with federal funds, the proportion is almost two-thirds of all hospital payments.

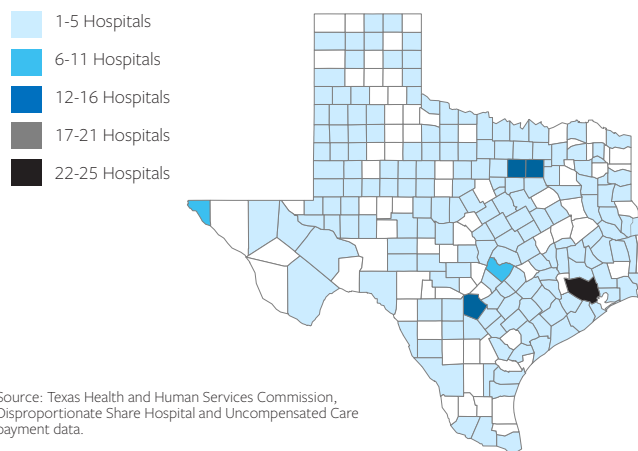
**Local tax revenue ensures statewide access to care.** More than half (333) of all Texas hospitals received payments fed by local tax revenue. Without local tax revenue, Texas hospitals will lose vital federal funding.

Estimated Texas Medicaid Hospital Payments and Supplemental Payments (FY 2016)



Source: Texas Health and Human Services Commission

Hospitals Across the State Rely on Supplemental Payments Fed by Local Tax Revenue (FY 2015)



Source: Texas Health and Human Services Commission, Disproportionate Share Hospital and Uncompensated Care payment data.

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**ARBITRARILY CAPPING THE AMOUNT OF REVENUE ALLOWED TO BE RAISED THREATENS TEXAS' ABILITY TO QUALIFY FOR FEDERAL FUNDING AND, MOST IMPORTANTLY, TO MEET TEXANS' HEALTH CARE NEEDS.**