Key Issues for Texas Hospitals

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Healthcare Landscape 2017 Conference

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Agenda

- Texas Hospitals: A Look at the Numbers
- Policy Priorities: 85th Legislature
- Medicaid 1115 Waiver Renewal
- Fixed Federal Funding Principles
Texas Hospitals by the Numbers

- 630: hospitals in Texas
- 288: designated trauma facilities
- $144B: generated in annual economic activity by hospital jobs
- $7.1B: uncompensated care (at cost) provided*

*before Disproportionate Hospital Share (DSH) and uncompensated care (UC) payments
Main Priorities for 2017

• 85th legislative session
  ➢ Medicaid funding
  ➢ Trauma funding
  ➢ Behavioral health workforce and funding
  ➢ GME and nursing workforce funding

• CMS/Administration
  ➢ Waiver renewal beyond December 2017

• 115th Congress
  ➢ ACA repeal and replace
  ➢ Fixed federal funding proposals
Medicaid Funding

Estimated Texas Medicaid Hospital Payments and Supplemental Payments
($13.862 Billion All Funds, FY 2016)

Source: THHSC
Medicaid Funding

State General Revenue Spending (2014-15)

- Education: 53%
- Health and Human Services: 31%
- All other programs: 15%
Medicaid Funding

Projected Growth in Costs for Medicaid, ERS and TRS (2016-17 to 2018-19)

6% increase
Medicaid

18% increase
ERS

22% increase
TRS

Source: Legislative Budget Board, 2017
Medicaid Funding

- House and Senate budget proposals preserve funding for Medicaid rate add-ons for trauma, safety net and rural hospitals.

- But....major differences in revenue allocated to Medicaid.
Trauma Funding

288 designated trauma hospitals statewide to provide life-saving care.
Behavioral Health Workforce and Funding

- Texas hospitals support:
  - Increasing access to state-funded hospital beds
  - Expanding the substance use provider workforce
  - Mental health parity
Health Care Workforce

2017 Health Professional Shortage Area - Primary Care

2017 Health Professional Shortage Area - Mental Health

Source: Health Resources & Services Administration
Medicaid 1115 Waiver Renewal

- The waiver is set to expire December 31, 2017.

- THHSC has requested an additional 21 months with level funding through September 30, 2019.
ACA Repeal and Replace

- Texas hospitals support repealing hospital cuts that have paid for coverage gains.
- Also support at the very least maintaining coverage gains (approx. 1 million Texans gained health insurance over the life of the ACA)
Fixed Federal Funding Proposals

- Block grants or per capita spending caps
- Texas hospitals will lead efforts to ensure that changes to Medicaid entitlement include guardrails to ensure fair reimbursement and adequate access to care.
Questions?

- How can we help?