YCMTSU: The 84th Texas Legislature – You Can't Make This Stuff Up

TEXAS HOSPITAL ASSOCIATION

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84th Texas Legislative Session

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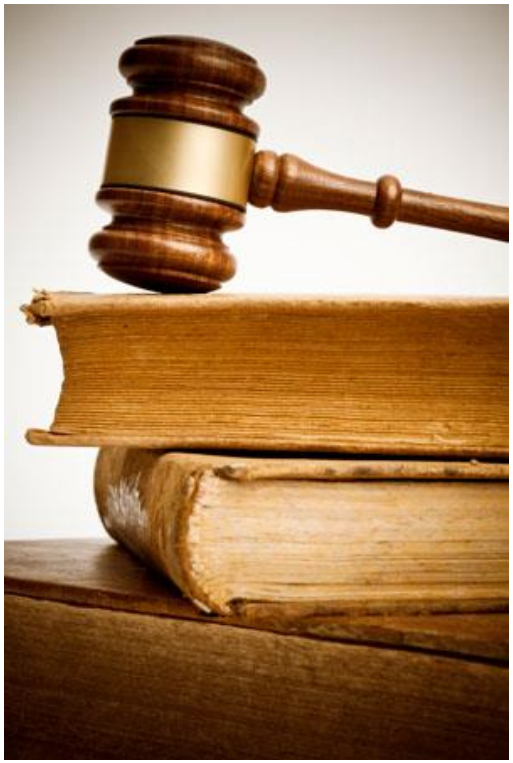
- Biennial regular session for 140 days
- Second Tuesday of January
- Citizen legislature
- Sine die!
- 6,700 bills filed in 2015
- THA tracked 835 bills
- A to Z in hospital policy
  - Guns to placentas



84th Texas Legislative Players

- New Governor, Lt. Governor, Attorney General, Comptroller, Land Commission and Agriculture Commissioner
- Major changes in the Legislature
  - New Lt. Governor – Dan Patrick
  - 9 new Senators (31 total)
  - New chairs of Finance, Health and Human Services and State Affairs
  - Straus remains Speaker but new chairs of Appropriations, Public Health and Insurance
- Battle of the Texas Republicans

Winning the Fight. Building the Future.

TCC

Texas Conservative Coalition

Legislative Process in Theory

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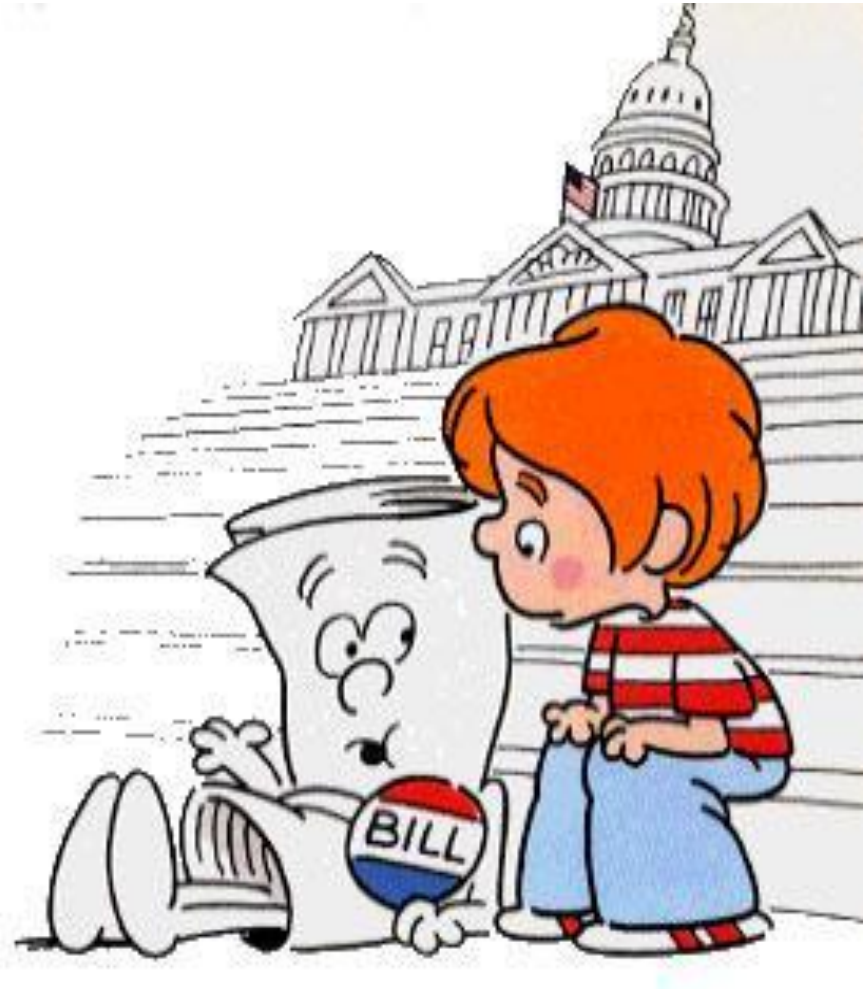

Legislative Process in Reality

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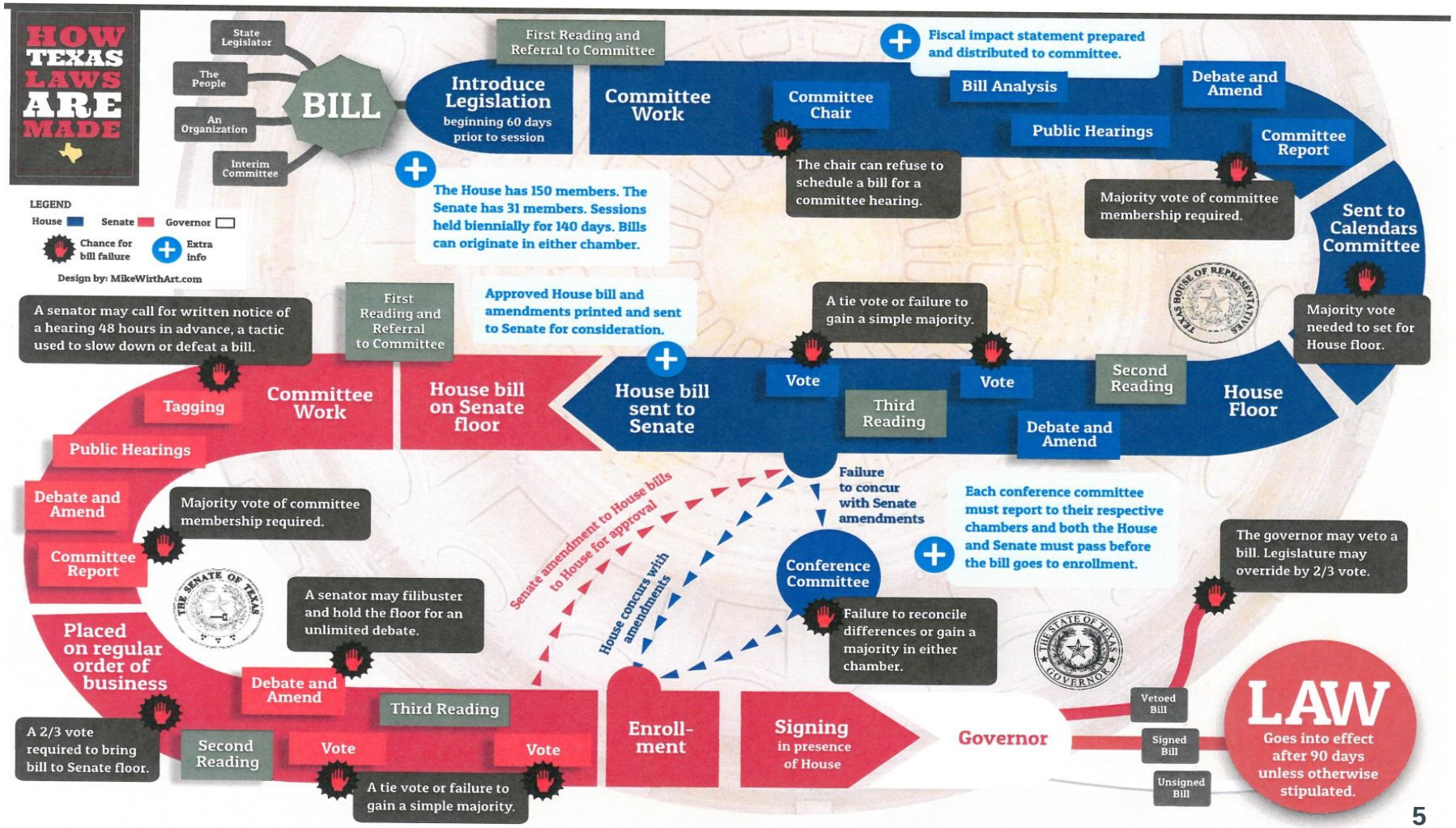

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Major Issues for State Leaders

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- **Economic growth puts pressure on infrastructure**
  - **1,000+ people moving to Texas each day**
- **Political pressure to remain fiscally conservative**
  - **Honor the constitutional spending cap**
  - **Don't raid the Rainy Day Fund ($9 billion + balance)**
  - **Pass a two-year balanced State Budget**

Texas Population

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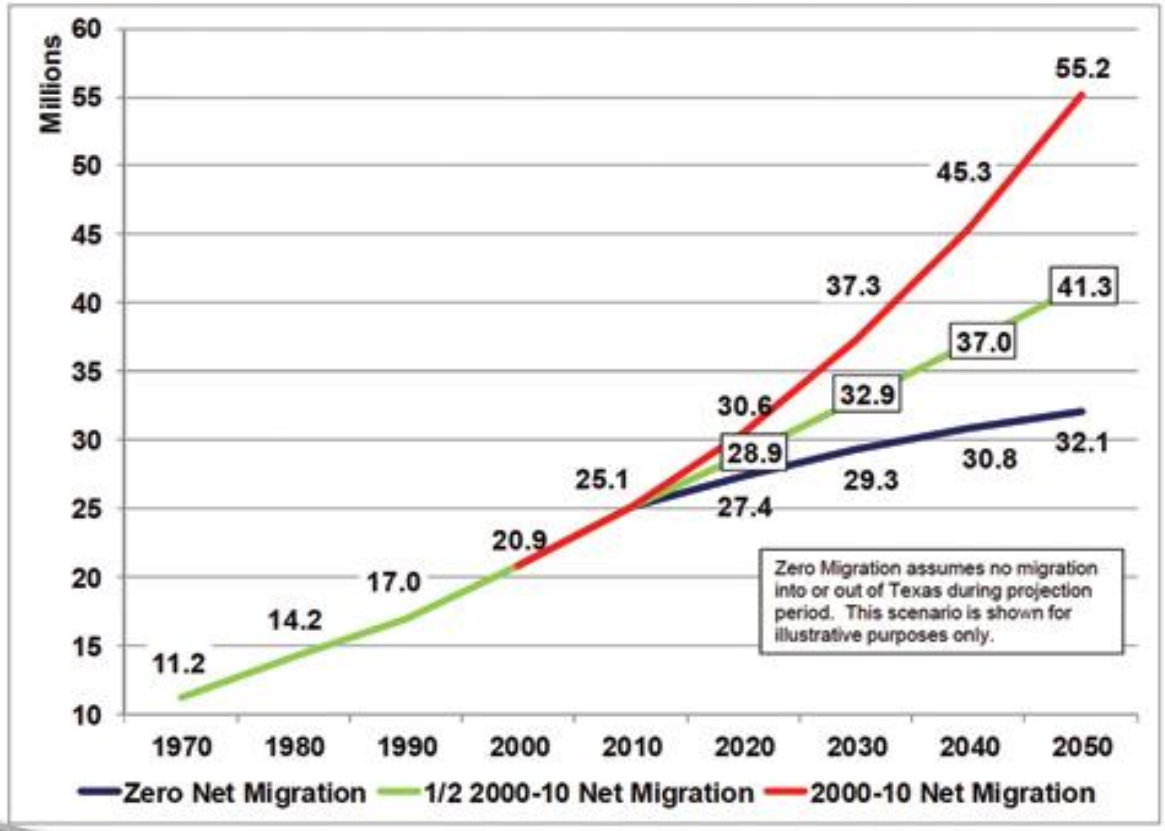
Population in Texas, 1970-2010 and Projected to 2050



HOBBY CENTER for THE STUDY of TEXAS at RICE UNIVERSITY

98

Major Issues (cont'd)

- **Focus on water, roads, education <u>and</u> $4B tax relief**
- **Struggling with costs for retirees (ERS, TRS), state building maintenance, pre-K, CPS, prepaid tuition – and state debt (Texas bond ratings)**
- **Only 140 days**

THA 2015 Legislative Priorities

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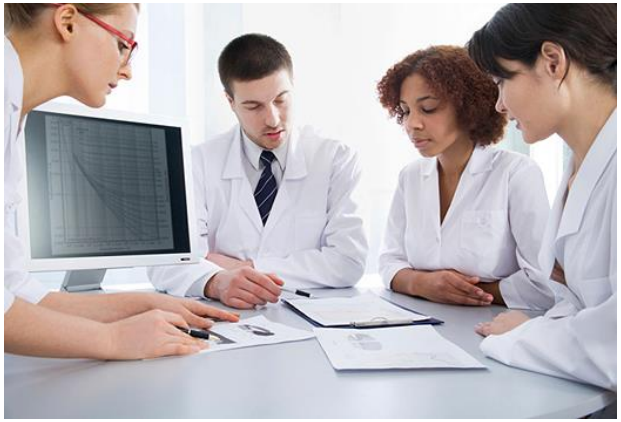
- **State funding for hospital supplemental payments (transitioned to funding for hospital rates)**
- **Texas Way Program: coverage for low-wage, working Texans**
- **Renewal of Medicaid 1115 Transformation Waiver and increase in UC funds**

THA Priorities (cont'd)



- **Preserving the driver responsibility program to fund trauma care**
- **Funding for graduate medical education and other healthcare workforce components**
- **Investing in behavioral healthcare services**

State Funding for Hospital Payments

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- **CHALLENGE: Limited legislative appetite for appropriating funds for hospital payments**
  - **Maximize DSH payments by appropriating $555M/year in general revenue**
  - **HOUSE BUDGET: $250M**
  - **SENATE BUDGET: $0**

Hospital Payments

- **Background**
  - **Texas has lowest Medicaid reimbursement in U.S.**
    - **51% audited, allowable costs = inpatient**
    - **72% audited, allowable costs = outpatient**

- **Florida waiver negotiations may spell trouble for Texas' Medicaid rates**
  - **CMS considers Medicaid rate adequacy a guiding principle in evaluating renewal requests**
  - **"Provider payment rates must be sufficient to promote provider participation and access."**

State Funding for Hospital Payments

- **Pivoted to $500M in Medicaid rates**
  - **$129M in Medicaid rate add-on for safety net hospitals**
    - **10% set aside to reward high-performing hospitals up to HSL**
  - **$67M for trauma add-on**
    - **Added to $44M current funding**
  - **$25M for rural payments**
    - **Non-urgent ER (45% to 65%)**
    - **OP and lab/imaging services at 100% of costs**
  - **Funded by trauma dollars (except $5M for rural hospital outpatient rates)**

Coverage Expansion The Texas Way

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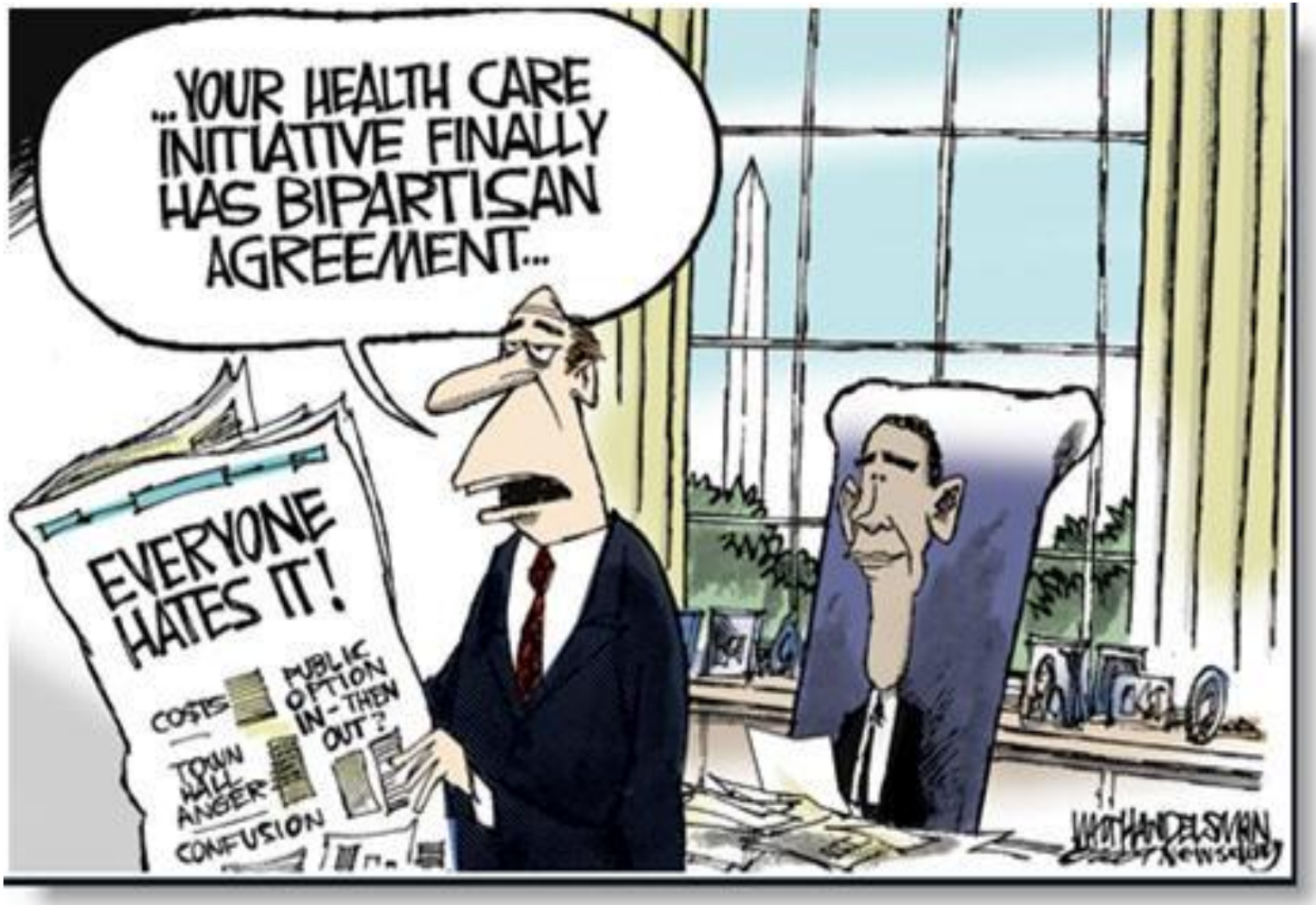
A private insurance program for low-wage, working Texans

www.TexasWay.com

Hostility Towards Obamacare



Coverage Expansion The Texas Way

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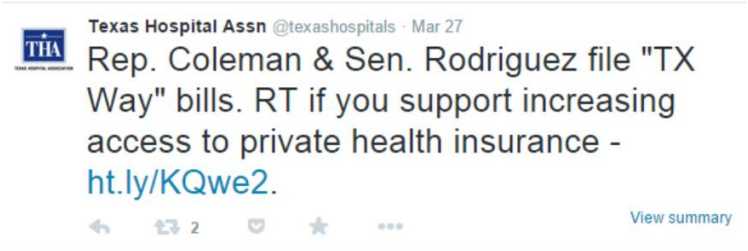
- **GOAL: Use federal funding to purchase private coverage for uninsured Texans**
- **NEXT STEPS: Continue promoting need to expand coverage/reduce uninsured**



Medicaid 1115 Transformation Waiver

- Five-year demonstration waiver expires 9/2016
- Extension application due 9/2015
- Waiver provides (total of $29B All Funds):
  - $3.1B in DSRIP dollars in year five
  - $3.1B in UC funds in year five
- Positions Texas at forefront of health care innovation and local collaboration
- THA SUPPORTS:
  - Waiver renewal
  - Streamlining the process for development, review and implementation of DSRIP projects
  - Increase in UC funds to reflect actual UC costs

Preserve Trauma Care Funding

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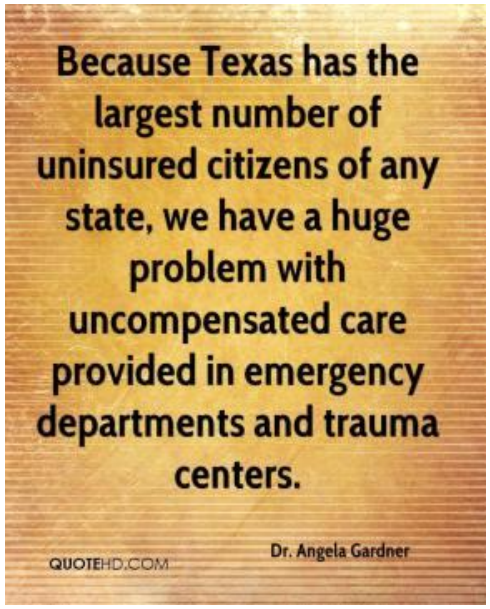
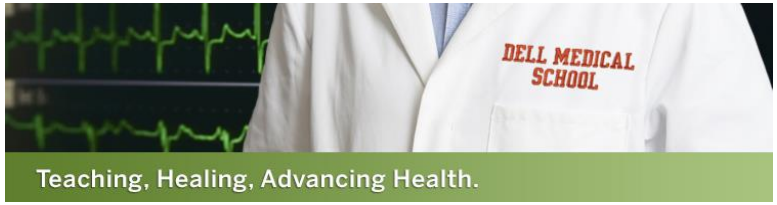
- GOAL: Defend Driver Responsibility Program to continue offsetting trauma costs
- >$230m/year uncompensated hospital trauma care costs
- DRP about $500M since 2003
  - Collects fine and surcharges from repeat offenders and DWI convictions
- 77 additional trauma hospitals since 2013
- Many efforts to improve DRP
- RESULT: Bills filed to repeal DRP failed
- Ongoing challenge



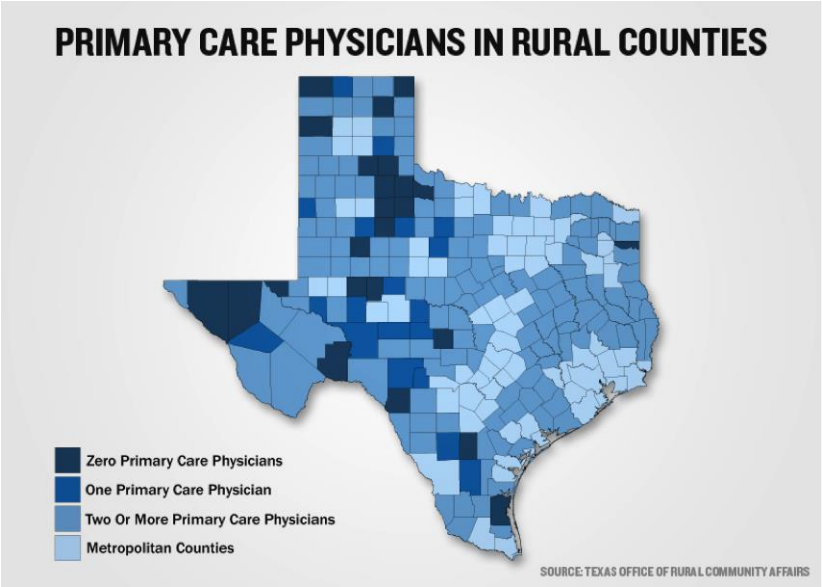
Graduate Medical Education



- **GOAL: Address the ongoing state physician shortage amid rapid population growth**
  - **Increase number of residency slots**
  - **Funding**
- **RESULT: Increased residency slots to one graduate to 1.1 slots**

GME (cont'd)

- **$53M to THECB**
  - **GME planning and partnership grants to hospitals and medical schools**
  - **New & existing GME programs can increase number of first-year residency programs**
  - **Enable first-year residency positions to be filled**
  - **Fund GME programs that received New and Expanded GME Program grant in 2015**
- **$33M for physician loan repayment program (HPSA & Medicaid/CHIP)**



Funding for Workforce Shortages

- **GOAL: Address ongoing healthcare workforce shortages**
  - **Increase number of nursing graduates and nursing faculty**
  - **Increase behavioral health workforce**
- **RESULTS: $34M to Professional Nursing Shortage Reduction Program**
- **$10M through 2019 for nursing school innovation grants from tobacco earnings**

Workforce (cont'd)

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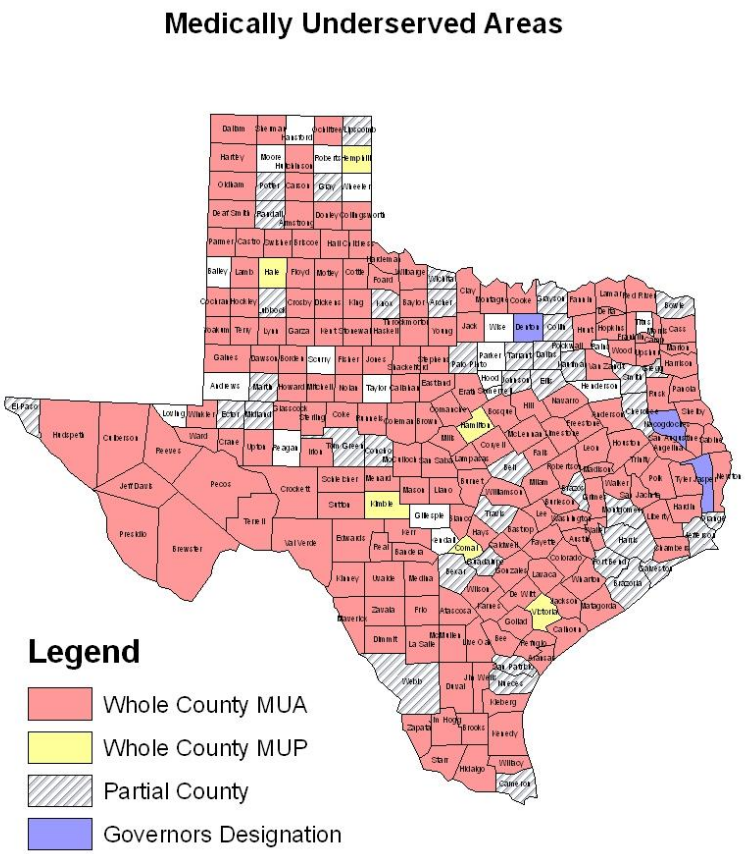
- **RESULTS: $2.1M for Texas Higher Education Coordinating Board to fund education loan repayment for certain mental health professionals practicing in underserved areas**



Map created by Texas Primary Care Office, July 15, 2011
Source: Health Resources and Services Administration, Shortage Designation Branch, July 19, 2011

Invest in Behavioral Healthcare

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$270 billion

annual loss to state economy of untreated behavioral health needs

75 percent

Texas counties without a sufficient behavioral health care workforce

- **GOALS:**
  - **Build on 2013 $300M (AF) investment**
  - **Give hospitals option to allow physicians to temporarily hold suicidal or homicidal patient**
- **RESULTS:**

Inpatient Psychiatric Services	**$ 50,000,000**
Alternatives to Inpatient (MH Crisis)	**$ 31,300,000**
Outpatient Treatment (MH Adult & MH Child)	**$ 46,486,001**

Physician Emergency Detention

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- **Senate Bill 359 by Sen. Royce West (D-Dallas) and Rep. Paul Workman (R-Austin)**
- **Allowed physicians to initiate a temporary four-hour hold of patient if threat to self or others (if facility adopts policy permitting the hold)**
- **Broad and varied support**
- **VETO – Late night veto from Gov. Abbott killed the effort at the last minute**

#bitter

Guns in Texas - and in Hospitals

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Open Carry and Campus Carry in Texas

Greg Abbott @GregAbbott_TX · May 29

Open Carry just passed in both the Texas House & Senate. Next destination: My Pen. #txlege #tcot @NRA

2.4K 2.1K

- **Despite legislator focus on open carry legislation, THA maintained prohibition of open carry on Texas hospital campuses.**

"I just feel that the time has come for us to protect the men and women of Texas who are carrying concealed on our campuses."

- Rep. Allen Fletcher (R-Cypress)

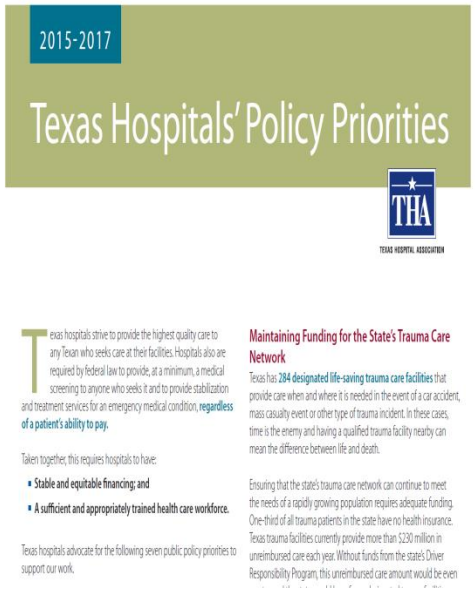
"Texas has got to get past its obsession with guns and start placing its resources on our students and institutions. This should not be the banner headline from this legislative session."

- Rep. Garnet Coleman (D-Houston)

KERA July 21, 2015: A North Texas representative wants legislation that would allow staff and visitors to bring firearms into hospitals for self-defense. Springer says it makes no sense that he can take his gun into the Capitol building but has to leave it in the glove compartment before walking into the ER. Springer says he doesn't plan to drop the issue.

THA's Interim Priorities

- **Reduce the number of uninsured Texans**
- **Maintain funding for the State's trauma care network**
- **Fund a strong behavioral health care system**
- **Fund Medicaid reimbursement rates that reduce reliance on supplemental payments and protect access to care**
- **Extend Medicaid 1115 Transformation Waiver and increase UC funding**
- **Continue funding for physician, nurse, behavioral health professional and allied health professional education and training**
- **Preserve access to care in rural communities**



2015-2017

Texas Hospitals' Policy Priorities

Texas hospitals strive to provide the highest quality care to any Texan who seeks care at their facilities. Hospitals also are required by federal law 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.**

Taken together, this requires hospitals to have:

- **Stable and equitable financing; and**
- **A sufficient and appropriately trained health care workforce.**

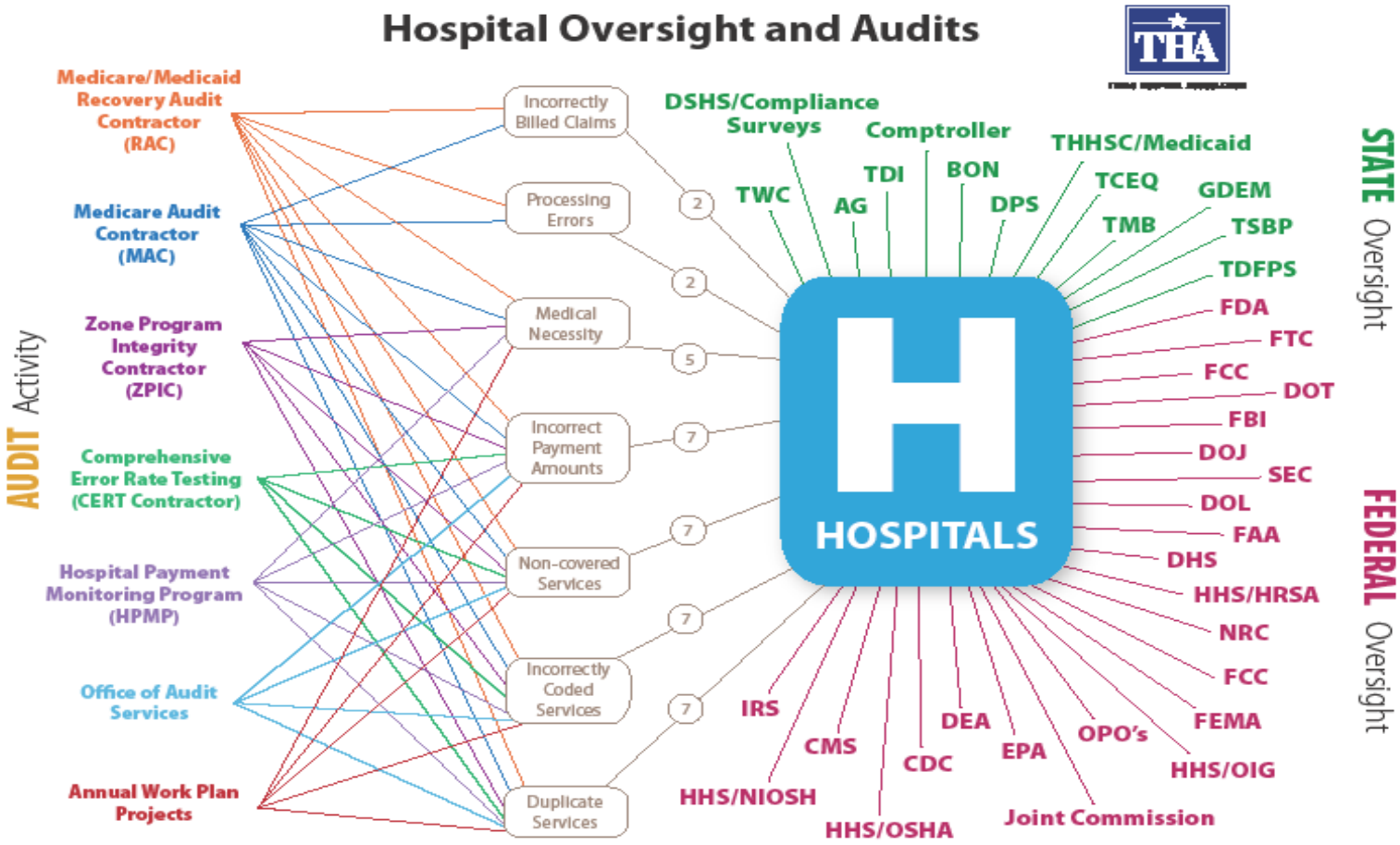
Texas hospitals advocate for the following seven public policy priorities to support our work.

Maintaining Funding for the State's Trauma Care Network

Texas has **284 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 $230 million in unreimbursed care each year. Without funds from the state's Driver Responsibility Program, this unreimbursed care amount would be even

During the Interim



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2016 Elections Around the Corner

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Questions?

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