

Key Issues for Texas Hospitals

Healthcare Landscape 2019

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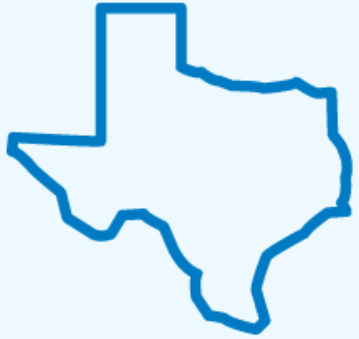


Agenda

- **Texas Hospitals' Policy Priorities for 2019-2020**
- **86th Texas Legislature**
- **THA Resources**



Texas Hospitals' Public Policy Priorities to Support Healthy Hospitals, Patients and Communities for 2019-2020



Leading the nation in population and job growth, Texas has one of the country's strongest economies. Yet, no other state has more residents without health insurance, and no other state has experienced more hospital closures in rural communities.

A strong economy depends on healthy residents and communities. And that requires a strong health care infrastructure.



Texas Hospitals' Public Policy Priorities to Support Healthy Hospitals, Patients and Communities for 2019-2020

To support a strong health care infrastructure, Texas hospitals advocate for the following:

1. A state budget that protects funding for health care programs and services to meet the physical and behavioral health care needs of a growing population.

- Continue state funding of health and human services programs and services, including adequate Medicaid funding that supports hospital payments that are closer to the actual costs of providing health care services.
- Maintain a dedicated funding source for the state's network of trauma hospitals to compensate for some of their unreimbursed costs of providing life-saving trauma care.
- Continue state funding for educating and training a workforce of physicians, nurses, behavioral health professionals and allied health care professionals in numbers sufficient to care for the state's large, growing and aging population.



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2. A fair and equitable system of financing hospital payments.



- Continue the current property tax structure and oppose limiting local jurisdictions' ability to generate revenue for essential services.
- Support locally generated solutions, including local provider participation funds, to generate the required non-federal share of Medicaid supplemental payments and increased hospital reimbursement rates.
- Support maintaining Delivery System Reform Incentive Program supplemental payments within the hospital financing system while working with stakeholders to develop fair and equitable value based payment models that support access to care and good health care outcomes.



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3. An increase in the number of Texans with affordable, comprehensive private health insurance.



- Support enrollment of all uninsured Texans who are eligible for coverage in the federal health insurance marketplace.
- Support development of a private market solution for low-wage working Texans with incomes too low to qualify for marketplace health insurance to purchase affordable, comprehensive health insurance.



Texas Hospitals' Public Policy Priorities to Support Healthy Hospitals, Patients and Communities for 2019-2020

4. Funding for behavioral health care that is commensurate with the need for services and policies that foster, rather than inhibit, access to emergency psychiatric care.

- Increase state funding to ensure timely and appropriate access to inpatient and outpatient, community-based services and supports for Texans with a behavioral health diagnosis.
- Support revising the Texas Mental Health Code to allow physicians, not only law enforcement, to detain temporarily a patient deemed to be a danger to self or others for the purpose of conducting a thorough psychiatric assessment and evaluation and assessing the need for continued psychiatric treatment.
- Support revising the Texas Mental Health Code to allow physicians to delegate to an advanced practice registered nurse or physician assistant the ability to conduct a pre-admission examination to determine whether an individual meets the criteria for voluntary inpatient mental health services and obtain a physician's order for admission if admission criteria are met.



Texas Hospitals' Public Policy Priorities to Support Healthy Hospitals, Patients and Communities for 2019-2020



5. Simplification and alignment of state and federal quality and patient safety reform initiatives.

- Minimize conflicting and inconsistent initiatives related to health care quality and patient safety.

6. Preservation of the state's model medical liability and prompt payment laws.

- Oppose legislation to repeal the state's 2003 tort reform law and any efforts to modify the law's limits on non-economic and medical damages.
- Protect the confidentiality of hospitals' physician and nurse peer review processes.
- Support the current law (Prompt Pay Act) to ensure that physicians and hospitals receive timely and accurate payments for health care provided and ensure the law's applicability to all payor sources.



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7. Empowerment of health care consumers through access to information that supports better health care decision making.



- Support efforts to inform consumers of the critical licensing and regulatory differences among hospitals, hospital-affiliated freestanding emergency centers, non-hospital-affiliated freestanding emergency centers and urgent care centers.
- Support enhanced disclosure of the ability of freestanding emergency centers to charge facility fees and of their participation in insurance networks.



86th Texas Legislature



Leadership in the Texas House of Representatives



Speaker of the House

Dennis Bonnen (R-Angleton)



Rep. Senfronia Thompson (D-Houston)

Public Health Committee, Chair



Rep. John Zerwas (R-Richmond)

Appropriations Committee, Chair



Rep. Four Price (R-Amarillo)

Calendars Committee, Chair



Leadership in the Texas Senate



Lt. Gov.
Dan Patrick (R)



Sen. Lois Kolkhorst (R-Brenham)
Health & Human Services Committee,
Chair



Sen. Jane Nelson (R-Flower Mound)
Finance Committee, Chair



Sen. Robert Nichols (R-Jacksonville)
Transportation Committee, Chair



2020-2021 Budget Proposals

- Texas Legislature has about \$9 billion more to spend than last session.
- House and Senate budget proposals are separated by about \$4 billion.
 - House: \$247 billion in all funds.
 - Senate: \$243 billion in all funds.
- Both versions:
 - Include \$67.6 billion in all funds for the Texas Medicaid Program.
 - Maintain critical Medicaid rate enhancements for certain hospitals.
 - ✓ \$180 million in all funds for trauma hospitals.
 - ✓ \$150 million in all funds for safety net hospitals.
 - ✓ \$30 million in all funds for rural hospitals.



THA-Supported Legislation

- **SB 384**, by Sen. Jane Nelson (R-Flower Mound), aligns state and federal reporting requirements for health care-associated infections, which alleviates administrative burden so hospitals can focus on infection control and prevention.
- **SB 752/HB 1535**, by Sen. Joan Huffman (R-Houston)/Rep. Tom Oliverson (R-Cypress), expands liability protection for volunteer providers and facilities that sponsor them to ensure timely access to essential health care during a disaster.
- **SB 918/HB 2048**, by Sen. Joan Huffman (R-Houston)/Rep. John Zerwas (R-Richmond), repeals and replaces the primary source of revenue for the state's trauma fund (Account 5111), which feeds Medicaid add-on payments for trauma and safety net hospitals.



THA-Supported Legislation

- **SB 1238/HB 3536**, by Sen. Nathan Johnson (D-Dallas)/Rep. Toni Rose (D-Dallas), would streamline the process for psychiatric hospitals to admit an individual requesting inpatient mental health treatment and expedite access to and increase continuity of care.
- **SB 1159/HB 2929**, by Sen. Kelly Hancock (R-North Richland Hills)/Rep. Jeff Leach (R-Plano), which would clarify existing state law to ensure that Texas hospitals can attach liens to personal injury settlements in order to recoup the costs of treatment—regardless of where the care occurs in the hospital—provided to individual who are injured as a result of another’s negligence.



THA Resources



One Stop For Legislative Information

The screenshot displays the Texas Hospital Association website for the 2019 Legislative Session. The header includes the THA logo, navigation links (Home, Public Policy, Services, Publications, THA Foundation, About, Contact), and contact information (512/465-1000, info@tha.org). The main content area features a large image of the Texas State Capitol dome with the text "2019 Legislative Session". Below this, there are three columns of information: "Advocacy in Action" with a "Read More" link, "Refresher from 85th Legislature" with links for "Regular Session Report" and "Special Session Report", and "Stay Engaged" with "Follow on Twitter" and "Follow on Facebook" buttons. A section titled "Latest Information on Medicaid 1115 Waiver Renewal Request" includes a "Read More" link and a photo of Gov. Greg Abbott. At the bottom, a "Key Lawmakers" section features circular portraits and "Contact" links for Gov. Greg Abbott (R) and Lt. Gov. Dan Patrick (R-Houston).

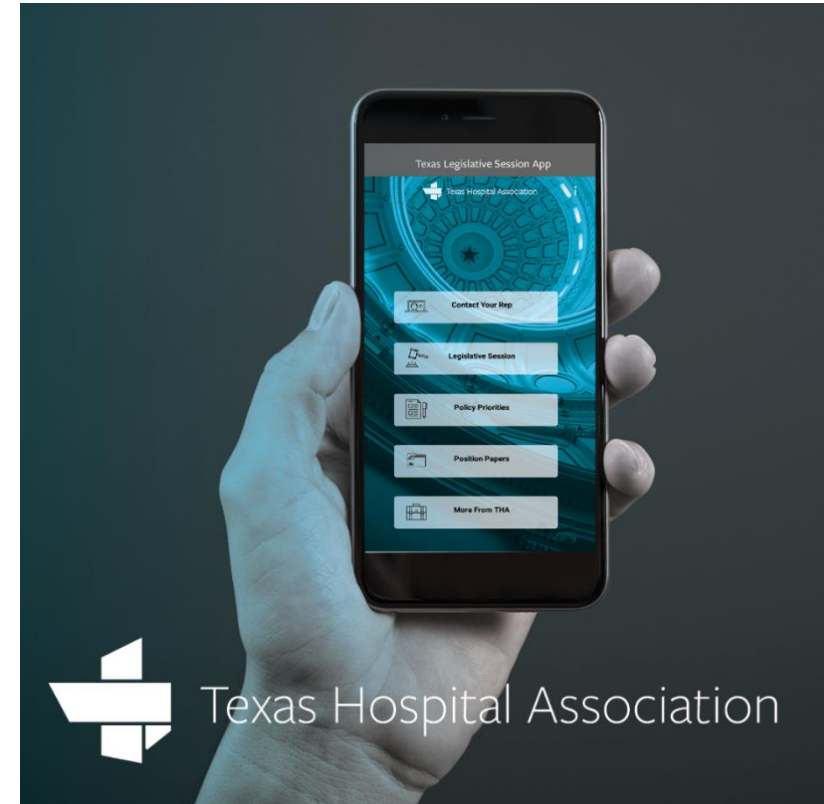
VISIT ONLINE FOR CONSTANT UPDATES

www.tha.org/2019legislativesession



THA Legislative Session App

- Quick access to legislative resources and whitepapers.
- Allows THA members to contact their lawmaker to take action on important legislation.
- iPhone and Android compatible.
- Search “THA Legislative App” in Apple App Store or Google Play Store.



Educational Series on Hospital Finance

- Medicaid's Role in Hospital Financing
- Local Provider Participation Funds in Texas
- Value-Based Payment
- Rural Hospital Financing
- Graduate Medical Education
- Hospital Payment Sources

www.tha.org/hospitalfinance

Part 1 in THA's educational series on hospital finance
Texas Hospital Financing
MEDICAID'S ROLE IN HOSPITAL FINANCING

Part 2 in THA's educational series on hospital finance
Local Provider Participation Funds in Texas

Part 3 in THA's educational series on hospital finance
Value-Based Payment
THE TRANSITION FROM VOLUME TO VALUE

Part 4 in THA's educational series on hospital finance
Rural Hospital Financing

Part 5 in THA's educational series on hospital finance
Graduate Medical Education
FINANCING PHYSICIAN EDUCATION AND TRAINING TO ENSURE TEXANS HAVE TIMELY ACCESS TO HEALTH CARE

Part 6 in THA's educational series on hospital finance
Hospital Payment Sources

THE RURAL LANDSCAPE

UNINSURED 4.8 Million Texans

Health Care Coverage Among Texas Patients (2017)

Medicare	17%
Medicaid	17%
Uninsured	66%

HOW PATIENTS GET COVERAGE

While they serve diverse communities across the state, Texas hospitals are unified under one core mission: providing the highest quality care to every Texan in need. Fair and equitable payment is critical to achieving this goal. This document provides an overview of the major sources of hospital payments and why reimbursement often is insufficient.

Hospital payments come from a number of sources, including state, federal and local governments, health insurers and individuals. Payments, however, often fall below the actual cost of providing care.

The amount a hospital charges for a procedure or service can vary by facility. The level of care a facility can provide is one important factor in determining charges. For example, a hospital that provides trauma, neonatal or other specialized care may charge a different amount for a service than a facility with more limited capacity to provide such services. Facilities that provide a higher level of care are able to do so because the hospital's infrastructure includes around-the-clock physicians and staff and specialized equipment to address complex, high-risk conditions for high-risk and vulnerable patients. The significant cost of maintaining the infrastructure is included in their charges. Hospitals also consider other factors when determining their charges, including market conditions and demographics, such as geographic location and patient mix. While charges and care capacity can vary by facility, reimbursement, usually, is less than the charge and varies widely based on the patient—public or private and, importantly, which private payer.

Other publications included under the #mytag or #tha tag are available.
Non-Group™ includes those covered under the #mytag or #tha tag are available.
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