Texas Hospitals Policy Update

2017 TAHFA & HFMA South Texas Fall Symposium
October 16, 2017

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Overview

Major Legislative Priorities During Regular Legislative Session:

- Protecting hospitals from Medicaid funding reductions.
- Maintaining funding for enhanced Medicaid payments.
- Supporting Texas trauma hospitals.
- Investing in the behavioral health care system.
- Funding for health care workforce education and training.
Overview

Major Legislative Priorities During Special Legislative Session

- Extending the sunset date for the Texas Medical Board.
- Blocking caps on property tax revenue.
- Protecting use of in-hospital do-not-resuscitate orders
- Continuing Maternal Morbidity and Mortality Task Force.
Overview cont’d – The Federal Level

- Federal Legislation including ACA Repeal and Replace.
- Extension of Medicaid 1115 Transformation Waiver.
- Disallowance of Federal UC Payments in North Texas.
- Protecting 340B Program.
- Repealing or Delaying Medicaid DSH Cuts.
Major Legislative Priorities
Regular Session
85th Legislature
Protecting Hospitals From Medicaid Funding Cuts

Result: The state’s Medicaid budget for 2018-19 is $62.4 billion
No cuts -- Hospitals are not targeted for any direct payment cuts or reductions.
Maintaining Funding for Enhanced Medicaid Payments

Goal & Result: THA helped secure $336 million in level funding for Medicaid reimbursement rate add-ons and uncompensated trauma care costs.

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Supporting Texas Trauma Hospitals

**Goal:** Preserve the level of trauma hospital funding but replace the source of funding

**Result:** THA supported a compromise solution that would have:
- repealed the Driver Responsibility Program and the program’s surcharges;
- implemented new source of revenue for trauma hospitals; and
- offered local control to municipalities considering cases and fines for certain traffic violations.

- solution was not successful but funding is maintained by continuing the DRP

**Next Steps:** Continue engaging lawmakers and stakeholders on an alternative source of trauma funding.
Investing in the Behavioral Health System

Goals: Improve access to mental health and substance abuse treatment by:

- Establishing a statewide mental health parity law.
- Growing the substance use provider workforce.
- Building on 84th Legislature’s behavioral health funding.
Investing in the Behavioral Health System

Results:
- The Legislation passed and the Governor signed into law a New statewide mental health parity law that requires behavioral health conditions to be treated the same, in terms of benefits and provider networks, as physical health conditions.
- Added licensed chemical dependency counselors to the education loan repayment program.
Investing in the Behavioral Health System

Results continued:
• Legislature allocated $7.6 billion in the state behavioral health system.
  • $3.6 billion for Medicaid and CHIP behavioral health services.
  • $4 billion for non-Medicaid behavioral health services, including:
    • $63 million to address the current and projected waitlists for community mental health services for adults and children.
    • $366 million for construction and repairs at state hospitals.
Funding for Health Care Workforce Education and Training

Goal: Address the health professional shortage by increasing education and training opportunities.

2017 Health Professional Shortage Areas - Primary Care

2017 Health Professional Shortage Areas - Mental Health

Source: Health Resources & Services Administration
Funding for Health Care Workforce Education and Training

Result:

- Physicians:
  - $90 million (level funding) to continue current GME programs and add new programs at the University of Texas at Austin and Rio Grande Valley.
  - $35 million in hold harmless funding to address decreased formula rates for all GME institutions.
Funding for Health Care Workforce Education and Training

Result:

- Physicians (continued):
  - $97 million ($44 million increase) to expand GME opportunities for first-year residents and partnership grants with health facilities.
  - $25 million ($8 million decrease) for the Physician Educational Loan Repayment Program.
Funding for Health Care Workforce Education and Training

Result:

- Nurses:
  - $20 million ($14 million decrease) for Professional Nursing Shortage Reduction Program.
  - $11 million (level funding) in nursing school grants to recruit and retain students and faculty.
  - Texas Board of Nursing sunset bill allows nurses to have a multistate license with the ability to practice in multiple states.

- Mental Health:
  - $2.1 million (level funding) for the Loan Repayment Program for Mental Health Professionals.
Special Session Focus

The Texas Legislature returned for a special session July 18 to consider:

- Texas Medical Board sunset legislation.
- Property tax reform, including a lower "rollback provision" or caps on state and local spending.
- Increasing reporting requirements when complications arise from abortions.
- Revising the practices and standards related to use of in-hospital do-not-resuscitate orders.
Special Session Results:

- Several bills proposed to limit how much local jurisdictions can increase property tax revenue and how much they can spend -- Failed.

- The Texas Medical Board extended until 2019 – only two years. THA worked successfully to make sure the sunset bill did not include extraneous items.


- As a compromise to other advocates there are now increased reporting requirements for hospitals and other providers who perform abortions.
Special Session Focus: DNR Orders

- There were issues raised as to the acceptable use of in-hospital DNR orders. The Legislature approved changes in response to Senate Bill 11.
- More restrictions and requirements around how and when physicians can place these orders.
- THA is monitoring the development of regulations and will provide compliance guidance.
Priority Federal Issues

- ACA Repeal and Replace: Buried, but not dead.
- Need legislation to continue CHIP; while CHIP expired Oct. 1. Texas estimates fund depletion by February 2018.
- We need Legislation to repeal or delay Medicaid DSH cuts that took effect Oct. 1: DSH cuts if not repealed will impact Texas hospitals for $148 million in FY 18; Might be part of CHIP reauthorization package.
- We need legislation to continue rural extenders: MDH, low-volume hospitals. Might be part of CHIP reauthorization package.
Priority Federal Issues: Medicaid 1115 Transformation Waiver

- CMS has agreed to seek a joint stay with the state on the disallowance of federal uncompensated care payments.
- If stay is granted, will give state and CMS time to work out a mutually agreeable method of finance for the future--estimated to be two years.
- Optimistic that waiver with level UC funding will be extended for 5 more years.
- Hopeful that DSRIP will continue at $3.1 billion at least temporarily. In the future, program payments need to be incorporated in overall payments.
- We anticipate that CMS will require hospitals to transition to use of the Form S-10 to report UC costs in lieu of the current UC Tool.
HURRICANE HARVEY

Contribute at www.tha.org/Harvey
Ben Taub Hospital in Houston, which was evacuated

Babies From Corpus Christi NICU Transported To Cook Children's Hospital
A power generator tips in front of CHRISTUS Spohn Hospital in Corpus Christi

Hurricane Harvey will make it harder for hospitals that are already financially struggling. (U.S. Department of Defense)

The water kept rising on Houston freeways as the city was besieged by Hurricane Harvey and the resulting floods.
Questions?