



The ongoing COVID-19 pandemic, coupled with the devastating winter storm, have taxed hospitals and the health care system in Texas unlike ever before. These events have and will continue to deeply impact Texas residents' physical, psychological and financial health. Exacerbating the problem is the federal government's recent decision to rescind Texas' 10-year Medicaid 1115 Waiver extension, which would have provided \$100 billion to the health care safety net through 2030, including more than \$32 billion in new funding. As state leaders, health care providers and the public work to pick up the pieces, Texas hospitals look forward to the 87th Texas Legislature's strong and meaningful commitment to support the health care safety net and protect access to care for the millions of Texans whose lives depend on it.

Texas hospitals advocate for a 2022-2023 state budget that appropriates funding to:



- Ensure Texans can access the highest quality care when and where they need it.
- Invest in a strong health care infrastructure.
- Support the state's growing population.

To achieve these goals, Texas hospitals urge the Texas Legislature to:



Maintain Medicaid rate enhancements for trauma, safety net and rural hospitals



Pursue a federal "IMD Exclusion" waiver to ensure Medicaid patients' access to inpatient psychiatric care



Appropriate new funding to protect patient care and the health care safety net

Critical Health Care Funding Needed in the 2022-2023 State Budget

HOSPITAL RATE ENHANCEMENTS



- **\$140 million GR-D.** Maintain Medicaid rate enhancement for designated trauma hospitals (*Senate and House version*)
- **\$23 million GR.** Maintain Medicaid rate enhancement for rural hospitals' outpatient services (*Senate and House version*)
- **\$116 million GR/GR-D.** Maintain Medicaid rate enhancement for safety net hospitals (*Senate and House Version*)
- **\$35 million GR.** Maintain Medicaid rate enhancement for rural hospitals' inpatient services (*Senate and House version*)
- **\$6 million GR.** Maintain Medicaid add-on payment for rural hospitals' labor and delivery services (*Senate version*)
- **\$48 million GR.** Increase reimbursement for Medicaid services provided by rural hospitals (*Senate and House version, Article XI*)

BEHAVIORAL HEALTH



- **Rider for IMD Exclusion Waiver.** Include a rider that requires HHSC to pursue a federal waiver to eliminate the policy that bars Medicaid spending on individuals receiving care at "institutions for mental disease". The federal waiver will ensure Medicaid patients' access to medically necessary emergency psychiatric care (*House version*)

BEHAVIORAL HEALTH



- **\$30 million GR or available FF.** Inpatient psychiatric beds at urban and rural community hospitals (*Senate version*)
- **\$464 million GR or ESF.** Fully fund HHSC's request for state hospital construction and expanded operations (*Partially funded in Senate and House versions, Article XI*)
- **\$10 million GR.** Continued funding to ensure integration of the required Prescription Monitoring Program with electronic medical records (*House version*)
- **\$5 million GR.** Investment in brain health research (*HB 15 contingency in House version*)

MATERNAL AND CHILD HEALTH



- **\$84 million GR.** Extend Medicaid eligibility for women following delivery for 60 days to 12 months (*HB 133 contingency in House version*)
- **\$7 million AF.** Continue TexasAIM maternal safety initiatives (*House and Senate versions*)
- **\$6 million GR.** Continue the Medical Child Abuse Resources and Education System (MedCARES) grant program at children's hospitals and academic health centers (*House version*)

WORKFORCE



- **\$199 million GR.** Expansion of graduate medical education for physician training to address GME shortages (*Senate version*)
- **\$20 million GR.** Maintain Professional Nursing Shortage Reduction Program funding to address nursing shortages (*House version*)

PUBLIC HEALTH



- **\$103 million GR.** HIV medication purchasing shortfall at DSHS (*Partially funded in Article II of Senate version; Fully funded in Article XI of House version*)
- **\$47 million GR.** Direct-acting antiviral treatment for Medicaid clients and state hospital patients with Hepatitis C virus and adopt rider to permit bulk purchasing via subscription model (*Partially funded in Article II of Senate version; House version fully funds Medicaid clients in Article II and state hospital patients in Article XI*)
- **\$880,000 GR.** Complete repairs and renovations at the Texas Center for Infectious Diseases (*Senate and House version*)
- **\$407,000 GR.** Restore 5% reductions to Regional Advisory Councils and EMS programs (*Senate version*)
- **\$5 million FF.** Create Office of Health Equity (*Amendment for HB 4139 contingency rider*)

OTHER CONSIDERATIONS



- Include a rider directing HHSC to use the enhanced Coverage Expansion Funds from the American Rescue Plan Act of 2021 to increase access to health care coverage for low-wage working Texans
- Eliminate the \$350 million HHSC cost containment rider because the enhanced 6.2% Federal Medical Assistance Percentage already brings significant cost savings to the state (*House version does not include a cost containment rider, Senate version does*)
- Restore 5% cuts at HHSC and DSHS to ensure patients' access to critical health care services and supports

GR: State General Revenue
GR-D: Dedicated Account of State General Revenue

ESF: Economic Stabilization Fund, known as the state's Rainy Day Fund
FF: Federal Funds

AF: All Funds (the sum of GR, GR-D, federal funds and other funds)

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