

HEALTH CARE AND THE 86TH TEXAS LEGISLATURE

Outcomes for Texas Hospitals

Contents

- 3 Message from THA's President/CEO
- 5 THA's Advocacy and Legal Team

THA Policy Priorities: Outcomes and Analyses

- **6** Securing a State Budget That Protects Funding for Health Care Programs and Services
- 7 A Fair and Equitable System of Financing Hospital Payments
- 7 Increasing the Number of Texans With Health Insurance
- 7 Aligning State and Federal Reporting of Health Care-Acquired Infections to Reduce Administrative Burden and Improve Patient Safety and Quality of Care
- 8 Other Priorities

Other Key Issues Impacting Texas Hospitals

- 8 Behavioral Health
- 10 End-of-Life Care
- **11** Freestanding Emergency Centers
- **12** Health Care Pricing and Disclosure
- 13 Hospital Licensing and Regulation
- **13** Hospital Operations
- **14** Liability
- 14 Maternal Health
- **15** Medicaid Managed Care
- **15** Physician Licensure and Practice
- **16** Public Health
- 17 Rural Hospitals
- **17** State Agency Operations
- **18** State Budget for 2020-2021
- 18 Telemedicine
- 19 Workforce



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Questions should be addressed to John Hawkins, senior vice president of advocacy and public policy, at jhawkins@tha.org or 512/465-1505.

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Message from THA's President/CEO



Ted Shaw



The 86th Texas Legislature had some remarkable differences from legislative sessions in recent memory. There were more Democratic lawmakers. Leadership in the House of Representatives changed, as did committee chairs in both chambers. And the revenue outlook was significantly more positive. But, two longstanding issues remained front and center: reforming the public school financing system and limiting property taxes. Both issues had much of the limelight for the 140 days of the 86th Texas Legislature and threatened hospital financing. Legislative and gubernatorial leadership were adamant that taxing entities be limited by revenue growth caps so that homeowners see financial relief from property tax bills. For hospi-

tals, that could have meant unraveling the health care safety net as IGT capacity would have been curtailed, to the detriment of billions of dollars in supplemental payments. With strong education and advocacy, however, lawmakers ultimately excluded hospital districts from the new revenue growth caps passed in the waning days of the session.

With a positive revenue outlook, budget writers had more to work with as they crafted the state's spending plan for 2020-2021. Medicaid, as an entitlement program, however, is always under threat, no matter the fiscal outlook, and even with increased revenues, the politics of Medicaid are not aligned with increased program spending. Our advocacy focused on:

- 1. Ensuring Medicaid coverage and payments were not cut.
- 2. Preserving rate enhancements for trauma, safety net and rural hospitals.
- 3. Supporting new funding to protect access to care in rural areas, for children's hospitals and behavioral health.

The budget that passed includes all these protections and is a good blueprint for the Medicaid safety net.

One of the biggest victories of the legislative session is the repeal of the Driver Responsibility Program and identification of new sources of funding for Texas trauma hospitals. Long a priority of THA and numerous other organizations, passage of House Bill 2048 will mean Texas trauma hospitals no longer will have to depend on the much-maligned DRP and revenue from its fines and penalties for funding.

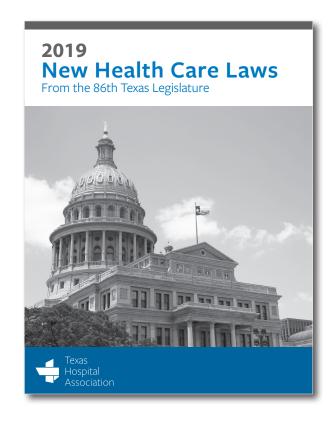
Yet, these wins barely scratch the surface of work that went into the 140 days of the legislative session. So much of the effort not just of THA but of every single member hospital focused on educating lawmakers on hospitals' needs, challenges, operations and day-to-day work so that "bad" bills could be defeated or improved. This often is unsung work, but it is so vital to preventing undue and unnecessary regulations and restrictions, which would undermine patient care.

Our work, of course, does not end just because the Texas Legislature has gone home. Rulemaking begins, and THA will be there, making sure that laws are implemented as intended. At the federal level, too, we have some serious issues to tackle, including surprise billing, Medicare for All and Medicaid DSH cuts, as well as determining the future of supplemental payments under the Medicaid 1115 Waiver. Resolving these will require that we continue to work together to advance the health and well-being of the entire industry.

All of us at THA are honored to work alongside all of you in our shared mission to make Texas health care the best it can be for all Texans and to be your voice in Austin and Washington.

Thank you for all you do,

Coming in August



New Health Care Laws

From the 86th Texas Legislature

Written by THA's legal and advocacy staff, this comprehensive reference guide summarizes new legislation that impacts Texas hospitals and provides insights into how hospitals will be affected. Available in August.

For more information, call 512/465-1000 or visit www.tha.org.



Stay up-to-date on THA's federal advocacy priorities.

Texas hospitals rely on THA for advocacy on federal policy priorities. In a rapidly changing political environment, stay current on what's happening on surprise billing, the Medicaid 1115 Waiver, Medicaid DSH cuts, Medicare payment and regulatory changes and more.

FOR MORE INFORMATION, VISIT WWW.THA.ORG/FEDERAL

THA's Advocacy and Legal Team

THA's advocacy, legal and communications staff are here to help Texas hospitals. Contact any member of the staff for resources or information that can help you advocate for your hospital.

GOVERNMENT RELATIONS



John Hawkins Senior Vice President Government Relations 512/465-1505 jhawkins@tha.org



Jennifer Banda, J.D.Vice President
Advocacy, Public Policy and HOSPAC
512/465-1046
jbanda@tha.org



Sara GonzalezVice President
Advocacy and Public Policy
512/465-1596
sgonzalez@tha.org



Carrie Kroll
Vice President
Advocacy, Quality and Public Health
512/465-1043
ckroll@tha.org



Wendy Thomas Manager Advocacy and HOSPAC 512/465-1044 wthomas@tha.org



Jennifer O'Neil Specialist Advocacy, Public Policy and HOSPAC 512/465-1507 joneil@tha.org

POLICY ANALYSIS



Richard Schirmer, FACHEVice President
Health Care Policy Analysis
512/465-1056
rschirmer@tha.org



Kate HendrixSenior Director
Health Care Policy Analysis
512/465-1556
khendrix@tha.org

LEGAL



Steven G. Wohleb, J.D.Senior Vice President
General Counsel
512/465-1577
swohleb@tha.org



Cesar J. Lopez, J.D.Associate General Counsel 512/465-1027 clopez@tha.org



D. Cameron Duncan III, J.D.Associate General Counsel
512/465-1539
cduncan@tha.org



Sharon Beasley Legal Manager 512/465-1030 sbeasley@tha.org

COMMUNICATIONS



Lance Lunsford
Senior Vice President,
Communications & Marketing
THA HealthSHARE President/ CEO
512/465-1052
Ilunsford@tha.org



Stephanie LimbVice President
Advocacy Communications
512/465-1557
slimb@tha.org



Aisha Ainsworth HolzheauserManager
Advocacy Communications
512/465-1511
aainsworth@tha.org



This section details the outcomes of several of THA's priorities for the 86th Texas Legislature. While some of the bills profiled here already have become law with the governor's signature, Gov. Greg Abbott (R) has until June 16 to veto legislation. A complete analysis of all new state laws affecting hospitals will be available in *THA*'s *New Health Care Laws from the 86th Texas Legislature*, available in August.

Securing a State Budget That Protects Funding for Health Care Programs and Services

Despite having the fastest growing population in the nation, Texas regularly underfunds its health care programs, particularly Medicaid. Reimbursement rates are well below cost, forcing continued reliance on supplemental payment programs, which often are under threat and are primarily financed by hospitals themselves.

This legislative session, THA's budget priorities focused on:

- Continuing 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.
- Continuing 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.
- Maintaining 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.

The approved state budget for 2020-21 makes no cuts to Medicaid eligibility or payments. It also maintains funding for Medicaid rate enhancements for trauma, safety net and rural hospitals. THA achieved this funding (\$720 million in state and federal funds) in the 84th Legislature and has successfully advocated for its inclusion in the base budget ever since.

The state budget for the next two years also includes new funding for rate enhancements for children's hospitals (\$50 million in state general revenue) and rural hospitals – for labor and delivery services (\$6.2 million in state general revenue) and inpatient services (\$35 million in state general revenue).

The budget also invests \$19.9 million in state general revenue for the Professional Nursing Shortage Reduction Program. An additional \$60 million in state general revenue was appropriated for the Graduate Medical Education Expansion program to increase the number of first-year physician residency positions.

Lawmakers even dipped into the state's savings account, the Economic Stabilization Fund, better known as the "Rainy Day Fund," to provide \$15 million in grant funding to support infrastructure improvements for designated trauma hospitals. (House Bill 1; Senate Bill 500)

One of the most significant victories for Texas hospitals this legislative session is the identification of new sources of revenue to support trauma hospitals and offset some of their more than \$300 million in annual uncompensated care costs. After many years of trying and failing, the 86th Legislature repealed the Driver Responsibility Program but maintained state support for Texas' more than 280 designated trauma hospitals by increasing state traffic and DWI/DUI fines and increasing monthly premiums for insured motorists. House Bill 2048, by **Rep. John Zerwas** (R-Richmond) and **Sen. Joan Huffman** (R-Houston), is landmark legislation for the Texas hospital industry. (*House Bill 2048*)

A Fair and Equitable System of Financing Hospital Payments

With Medicaid supplemental payments comprising more than 60 percent of all hospital Medicaid payments, their significance to all hospitals cannot be overstated. Key to these payments is hospitals' provision of the non-federal, or state, share through intergovernmental transfers or local provider participation funds. With growing uncertainty around the future of hospitals' IGT agreements because of decisions at the federal CMS and HHS levels, THA's advocacy this session centered on:

- 1. Supporting creation of agreed-upon local provider participation funds.
- 2. Protecting hospital districts from arbitrary limits on property tax revenue growth.

The legislature approved creation of eight new LPPFs and, importantly, also passed bills authorizing creation of additional LPPFs should they be sought by hospitals in the future when the legislature no longer is in session. A bill by **Rep. Garnet Coleman** (D-Houston) provides blanket authority for counties to establish a LPPF, while another bill by **Rep. Drew Springer**

(R-Muenster) is limited to counties without a hospital district or public hospital. The eight new LPPFs are approved for Harris, Travis, Bexar, El Paso, Nueces, Taylor, Ellis and Wichita Counties. In addition, the legislature extended the term of two LPPFs for Dallas and Tarrant Counties. (House Bill 4289; House Bill 651; House Bill 2326; House Bill 2324)

Legislative and gubernatorial leadership were united in passing property tax reform legislation. A priority item in the 2017 legislative session and special session that ultimately failed, providing property taxpayers with financial relief only gained steam as the 86th Legislature began. From the outset, lawmakers supported extremely low revenue growth caps of under 3 percent, well below the current 8 percent rate. Hospital districts initially were included under the proposed lower caps, but successful advocacy on the unique needs and challenges of hospitals caring for a growing population and their role in a complex health care financing system prevailed, and the bill's passage leaves hospital districts and county hospitals at the current 8 percent rollback rate. (Senate Bill 2)

Increasing the Number of Texans With Health Insurance

Leading the nation in the number of uninsured residents, Texas nonetheless remains one of just 13 states choosing not to increase access to coverage under the Affordable Care Act. Despite continued advocacy from the health care community and many others, the Texas Legislature again this session chose not to move forward with any proposals to reduce the number of uninsured Texans.

In addition, despite the recommendation of the state's Maternal Mortality Task Force to extend postpartum Medicaid coverage to 12 months from the current 60 days, the Texas Legislature

did not include funding for this coverage increase in the budget. Even with the immense interest and attention on the need to reduce maternal mortality and morbidity among Texas women, the politics of Medicaid...and of Medicaid expansion, in particular, made achieving this policy priority a challenge.

Aligning State and Federal Reporting of Health Care-Acquired Infections to Reduce Administrative Burden and Improve Patient Safety and Quality of Care

Duplicative and inconsistent requirements for the reporting of health care-acquired infections undermine the intent of reporting, which is to drive increased patient safety and better outcomes. THA worked with **Sen. Jane Nelson** (R-Flower Mound) to file legislation to align state reporting requirements

for HAIs with existing federal requirements, thereby eliminating duplication and unnecessary regulatory burden. Pending the governor's approval, hospitals as of Jan. 1, 2020 will report one set of HAI data to the state and federal governments. (*Senate Bill 384*)

Other Priorities

As with all legislative sessions, other issues quickly become priorities as lawmakers coalesce around certain topics. This session, one of those topics was ending surprise billing of patients who receive out-of-network health care in an emergency or under unforeseen circumstances. A bipartisan group of lawmakers from both chambers, **Sens. Kelly Hancock** (R-North Richland Hills) and John Whitmire (D-Houston) and Reps. Tom Oliverson (R-Cypress) and Trey Martinez Fischer (D-San Antonio), early on backed legislation to eliminate surprise billing of patients. From the outset, Texas hospitals supported the legislation to protect patients but opposed provisions later added that would have required hospitals and health plans to comply with a binding arbitration payment decision guided by rate parameters outlined in statute. Although this version passed the Senate, Texas hospitals successfully amended it in the House to maintain mediation for hospitals and health plans unencumbered by government-set rates or parameters for reimbursement of out-of-network care. THA will adhere to these same

advocacy principles as debate over surprise medical bills heats up in the U.S. Congress as well. (Senate Bill 1264)

Another issue was prohibiting taxpayer-funded entities, such as public and county hospitals, from lobbying or being part of organizations that lobby. Had it passed, a bill by **Sen. Bob Hall** (R-Edgewood), would have had a major chilling effect on the hospital industry's ability to educate lawmakers and their communities on key financing and care delivery needs and challenges. Politically motivated and related to the property tax debate, the bill looked assured of passage as the session neared the end.

THA and other hospital associations opposed the legislation and worked to ensure that public and county hospitals would be exempted from the legislation. The bill passed the Senate but ultimately failed in a high stakes debate on the House floor. This issue is sure to be revisited in 2021. (*Senate Bill 29*)



Other Key Issues Impacting Texas Hospitals

In addition to the priorities discussed in the previous section, THA tracked more than 1,500 bills throughout the 86th Texas Legislature that involved hospital financing, operations or delivery of care. Some we supported but many we opposed or worked with lawmakers to improve or make less burdensome. A discussion of some of the most significant follows.

For additional information on the bills discussed, contact the THA staff listed at the end of each section.

Behavioral Health

Despite spending the interim looking at ways to address the opioid epidemic, legislative attention during the 86th Legislature shifted to improving access to behavioral health services as a way to prevent school shootings like that at the Santa Fe High School outside of Houston that killed eight students and two teachers in May 2018.

In his State of the State address in February, **Gov. Greg Abbott** (R) called for more student mental health screenings in response to the Santa Fe High School shooting, and **Sen. Jane Nelson** (R-Flower Mound), chair of the Senate Finance Committee, responded by filing one of most high-profile mental health bills of the session to connect children to mental health services and provide \$100 million in funding. However,

despite being a priority for state leadership and having bipartisan support, a notorious naysayer in the Texas House of Representatives opposed the bill and brought it down on a dramatic technicality in the final days of session. **Rep. John Zerwas** (R-Richmond), however, successfully resurrected it in another form by amending the major provisions onto a school safety bill by **Sen. Larry Taylor** (R-Friendswood) shortly thereafter. One key measure creates the Texas Mental Health Care Consortium, an initiative to bring psychiatrists from Texas medical schools and other health care providers together to ensure children's access to mental health services. (*Senate Bill 10; House Bill 18; Senate Bill 11; Senate Bill 63*)

Another well-intentioned and high-profile piece of legislation, by **Rep. Senfronia Thompson** (D-Houston), to address child and adolescent behavioral health needs was a victim of politics. After Sen. Nelson's mental health bill died in the House, the Senate retaliated by failing to recognize Rep. Thompson's bill for vote. Had it passed, Rep. Thompson's bill would have created the Texas Mental and Behavioral Health Research Institute to fund research and foster statewide collaboration among Texas' health-related institutions of higher education to address child and adolescent behavioral health needs across the state. (House Bill 10)

Over the 2017-2018 interim, THA's Behavioral Health Council identified the need to streamline the voluntary mental health admission process. THA worked with **Sen. Nathan Johnson** (D-Dallas) and **Rep. Toni Rose** (D-Dallas) to file priority legislation to streamline the process for psychiatric hospitals to admit individuals seeking voluntary inpatient mental health treatment and expedite access to and continuity of care. Although the legislation faced criticism by Disability Rights Texas, the bill ultimately passed and will allow a physician to conduct a statutorily required exam up to 24 hours after the patient is admitted. By allowing an individual to be admitted to a psychiatric hospital prior to receiving the required exam, the law reduces the amount of time an individual waits to receive voluntary treatment. (*Senate Bill 1238; House Bill 1318*)

A number of bills were filed this session governing court-or-dered mental health services, processes for temporarily holding individuals in need to emergency mental health treatment, including children and individuals with a cognitive disability and circumstances in which a provider may disregard a declaration for mental health treatment. In August 2018, the Texas Hospital Association hosted a forum for behavioral health hospitals and stakeholders to discuss challenges in access to appropriate care for individuals who present to the emergency department for involuntary mental health treatment and

potential solutions. As a result of that work, THA worked with the Office of Court Administration, under the Supreme Court of Texas, and legislators on a long-term solution to access to and coordination of court-ordered mental health care. THA will work with the appropriate state agencies to implement efforts through rulemaking during the 2019-2020 interim. (House Bill 3681; House Bill 4610)

THA also worked with Sen. Juan "Chuy" Hinojosa (D-McAllen) to delay the Sept. 1, 2019 implementation date of the Prescription Monitoring Program to March 1, 2020, when funding will be available to integrate the program with hospitals' electronic medical record platforms. Legislation from the 85th Legislature established the PMP and required all prescribers and dispensers, by Sept. 1, 2019, to consult the PMP prior to dispensing or prescribing opioids, benzodiazepines, barbiturates or carisoprodol. While providers' access to the PMP is free, providers, including Texas hospitals, would have had to pay a hidden cost to integrate the PMP with their existing electronic medical record platforms. THA advocated for state funding to cover these costs, and the 86th Legislature earmarked \$6 million in state general revenue for the integration. The legislation to delay the implementation date ultimately died in the House Calendars Committee, but similar language authorizing the new implementation date was amended on to a bill by Rep. J.D. Sheffield (R-Gatesville) that creates an advisory committee composed of providers to make recommendations to the Texas State Board of Pharmacy on the PMP. (Senate Bill 2316/House Bill 3284)

Another bill by **Rep. John Zerwas** (R-Richmond) passed to help protect against prescription drug misuse and diversion by requiring e-prescribing for controlled substances, limiting opioid prescriptions to a 10-day supply for acute pain and requiring the Texas Health and Human Services Commission to provide medication-assisted treatment to patients without a prior authorization. (*House Bill 2174*)

In the year leading up to the 2019 legislative session, lawmakers focused on studying opioids and substance abuse in Texas, which yielded legislation by **Rep. J.D. Sheffield** that encourages health-related institutions to conduct research related to substance use disorders and addiction. The bill passed to require THHSC to create a program to expand telehealth treatment for substance use disorders. In addition to creating a public awareness campaign and requiring continuing education for prescribers, the bill also creates a program to fund opioid antagonists for first responders or other personnel who may encounter an individual experiencing an opioid-related drug overdose. (House Bill 3285)

Some of the legislature's efforts to improve access to and understanding of mental health are undermined by fringe groups that question the safety and efficacy of mental health care and psychotropic drugs. These groups championed a bill, by **Rep. Steve Toth** (R-The Woodlands), that would have required the Texas Health and Human Services Commission to conduct a study to determine the number of suicides that occurred in individuals who were prescribed psychotropic medication and the amount of time those individuals used the medications. THA opposed the bill and expressed, in its testimony against it, concern that the legislation could lead to

a false correlation between suicide and psychotropic medications. The bill was never voted out of committee. (House Bill 4365)

Contacts:

Sara Gonzalez: sgonzalez@tha.org Steve Wohleb, J.D.: swohleb@tha.org Sharon Beasley: sbeasley@tha.org

Cameron Duncan, III, J.D.: cduncan@tha.org

End-of-Life Care

Legislation governing end-of-life care always is a hot-button political issue, and the discussions this session were no exception. Several bills sought to revise Texas' current law on advance directives and medical powers of attorney, but state lawmakers were unable to push anything over the finish line, and the Texas Hospital Association was heavily involved in helping stop the bad bills.

THA worked with **Rep. James Frank** (R-Wichita Falls), **Sen.** Eddie Lucio, Jr. (D-Brownsville) and Rep. Garnet Coleman (D-Houston) to file two placeholder bills to rescue or counter inevitably bad end-of-life care legislation. One bill sought to provide additional mechanisms for revoking an in-hospital do-not-resuscitate order, while the other would require hospitals to implement conflict of interest and discrimination policies for ethics or medical committees that review advance directives. Pieces of this language eventually were used as part of the strategy to defeat what would have been an onerous amendment of the Texas Advance Directives Act. (House Bill 3332 and Senate Bill 2355/House Bill 3743).

Several bills eventually were filed that would have undermined the Advance Directives Act, patients' free will and physicians' professional autonomy. Two sought to force physicians and nurses to perform medical interventions indefinitely on terminally ill patients. THA worked closely with a broad coalition of organizations representing hospitals, health care professionals, religious organizations and pro-life groups to oppose and defeat both bills. THA testified and worked against another bill, by Sen. Brandon Creighton (R-Conroe) and Rep. Tan Parker (R-Flower Mound), that would have amended Section 166.046 of the Health & Safety Code to define reasonable medical judgment and make the state's dispute resolute process more prescriptive and limit providers' ability to honor patient wishes. Despite devoting an entire hearing to considering prolife bills, the Senate Health & Human Services Committee never voted on Sen. Creighton's bill.

The other bill, by **Sen. Bryan Hughes** (R-Mineola) and **Rep.** Richard Peña Raymond (D-Laredo), was just as potentially problematic for patients and health care providers, but lawmakers' intentions and the bill debate were anything but straightforward. A priority for Texas Right to Life, Sen. Hughes' bill would have required a hospital—even after its committee of medical ethicists and physicians, under the dispute resolution process, determined further medical interventions would harm the patient—to continue providing medical interventions until a patient is transferred to another facility that is willing to provide medical interventions. (Current law allows hospitals to halt medical interventions after 10 days if the ethics committee agrees with the treating physician that such withdrawal provides an overall benefit to the patient.) After testifying against the bill and the Senate Health & Human Services Committee passing it, THA and other stakeholders worked to block a vote by the full Senate. When Sen. Hughes brought the bill up for a vote, he unexpectedly amended it to require hospitals to provide medical interventions to terminally ill patients for 45 days so that the patient can be transferred to another facility that is willing to provide ongoing interventions. THA worked with Sen. Lucio to amend the bill with his ethics committee language that effectively gutted and replaced Sen. Hughes's bill with THA (discussed on p.10) drafted language. The bill passed the Senate and guickly passed out of the Texas House Committee on State Affairs but was never set for a vote before the full Texas House of Representatives. (Senate Bill 2129/House Bill 3369; Senate Bill 2089/House Bill 3158)

The end-of-life debate also spilled over into the sunset bill related to the continuation of the Texas Medical Board. In an effort to discourage physicians from engaging in the Texas Advance Directives Act's dispute resolution process and complying with an ethics committee's recommendation to withdraw medical interventions, Texas Right to Life worked with Rep. Steve Toth (R-The Woodlands) to amend a bill, by Rep. Chris Paddie (R-Marshall) and Sen. Robert Nichols

(R-Jacksonville), to reauthorize the Texas Medical Board, which establishes the standard of conduct for a doctor to be in good standing with the state. Language was added to the bill, which passed, requiring the TMB to ensure a physician makes a reasonable effort to transfer a patient. (House Bill 1504)

The probate section of the State Bar of Texas worked with Sen. José Rodríguez (D-El Paso) on legislation that would have allowed a medical power of attorney to designate two or more agents to act as joint agents and permit use of alternative MPOA forms in lieu of the current statutory form. THA opposed the bill and, despite repeated attempts, was unable to identify mutually agreeable language with the probate section of the State Bar. Sen. Rodríguez agreed to let the bill die. Similar legislation by Rep. Richard Peña Raymond and Sen. Judith Zaffirini (D-Laredo) also would have allowed for multiple forms of the MPOA to be used. THA raised concerns with those bills and provided edits to the bill authors. The bills were never considered in

committee and also died. (Senate Bill 310; House Bill 1082/ Senate Bill 1786)

A priority of the Texas Health and Human Services Commission's Palliative Care Advisory Committee, THA testified in support of legislation by **Sen. Nathan Johnson** (D-Dallas) to clarify the statutory definition of supportive palliative care and allow THHSC to launch a pilot program to coordinate and deliver supportive palliative care services to vulnerable populations. Texas Right to Life amended the legislation but THA corrected the language in the conference committee to reconcile House and Senate variations, and the bill ultimately passed. (Senate Bill 916)

Contacts:

Carrie Kroll: ckroll@tha.org Cesar Lopez, J.D.: clopez@tha.org Sharon Beasley: sbeasley@tha.org

Freestanding Emergency Centers

Texas has more freestanding emergency centers than any other state—more than 360. More than 60 percent of these facilities are not owned or operated by a hospital and are not governed by the stringent rules and regulations that govern licensed hospitals. Lawmakers this session filed about 15 separate bills targeting unfriendly practices for patients in independent freestanding emergency centers. Advocates for independent freestanding emergency centers argued that both hospital-owned freestanding emergency centers and hospitals should be included in proposed legislation. THA advocated to keep hospitals and hospital-owned freestanding emergency centers out of almost all of these bills.

Rep. Tom Oliverson (R-Cypress) filed a bill sponsored by **Sen.** Larry Taylor (R-Pearland) to require independent FECs to disclose in writing the charges a patient could incur, including observation fees, as well as the facility's network status with health plans. THA prevented the bill from applying to hospitals and testified on the bill to distinguish hospital-owned FECs from independent FECs. THA worked closely with the bill authors to successfully ensure hospital-owned FECs remained exempt from the majority of its requirements, while targeting the deceptive trade practices of some independent FECs. The bill passed. (House Bill 2041)

A bill by Rep. Dade Phelan (R-Beaumont) and Sen. Kirk **Watson** (D-Austin) gives the Texas Attorney General the right to bring a cause of action against an independent freestanding emergency center or a hospital that does not participate and is

not seeking participation in Medicare or Medicaid for charging an "unconscionable price" for emergency care. Through repeated advocacy efforts, THA ensured that traditional hospitals and hospital-owned freestanding emergency centers were not subject to the bill's requirements. The bill passed. Early on, THA expressed significant concerns about a more stringent bill filed by Sen. **Charles Schwertner** (R-Georgetown), which did not pass. (House Bill 1941; Senate Bill 1549)

Contacts:

John Hawkins: jhawkins@tha.org Sara Gonzalez: sgonzalez@tha.org Cameron Duncan, III, J.D.: cduncan@tha.org

Health Care Pricing and Disclosure

The Texas Legislature devoted significant attention to ending surprise medical billing and balance billing of patients who receive emergency or unplanned out-of-network health care services. After back-and-forth negotiations between state lawmakers and stakeholders, what started as four separate bills on the issue eventually were all rolled into one by Sens. Kelly Hancock (R-North Richland Hills) and John Whitmire (D-Houston) and **Reps. Tom Oliverson** (R-Cypress) and **Trey Martinez Fischer** (D-San Antonio). The legislation prohibits surprise billing for emergency care and for out-of-network providers or for laboratory and imaging services originating from in-network facilities. Early on, THA supported protecting patients from financial responsibility for out-of-network bills. However, when lawmakers modified the legislation behind closed doors to require a new arbitration system with government-mandated pricing references, THA testified, met with lawmakers and stakeholders and provided numerous amendments and substitute language to keep facilities in the mediation process without reference-based prices that threatened to unravel hospitals' in-network status and disincentivize fair and adequate hospital reimbursement. Despite the flawed legislation passing the Senate, THA ultimately prevailed in the House, resulting in a bifurcated system where hospitals and other facilities are subject to mediation, without government-set rate parameters other than usual and customary rate, while physicians and other health care providers are included in the new arbitration requirement. (Senate Bill 1264)

Legislation by Rep. Alex Dominguez (D-Brownsville) would have required hospitals to provide itemized statements of each health care service and supply provided to patients, as well as a list of all physicians and providers who rendered care to patients during a hospital visit, with the patient's bill. Consumers would not be responsible if a hospital violated any of its provisions. THA testified against the bill in committee, highlighting, among other issues, the significant burden and the stringent enforcement mechanism based on a process where many moving parts could accidentally go wrong. The bill died in committee. (House Bill 4036)

Rep. Dustin Burrows (R-Lubbock) brought legislation that would have required hospitals to provide notices of any cash discounts for charges. THA testified on the bill in committee, expressing concerns about the operational aspects of the bill when combined with federal and state regulations. A similar, but more problematic bill, by **Rep. Dwayne Bohac** (R-Houston), would have required each hospital to post its "cash price" on its website or make the price list available upon request. "Cash

price," however, is not a term that is used in hospital billing. Instead, as required by federal law, hospitals maintain a single, comprehensive price list of all billable items and services offered in the hospital known as the chargemaster. Highlighting the fact that discounts will vary based on individual circumstances of patients, THA testified in opposition to the bill. Both bills died in committee. (House Bill 2785; House Bill 3862)

Two companion bills to the surprise billing legislation, by **Rep.** Eddie Lucio III (D-Brownsville) and Sen. Kelly Hancock (R-North Richland Hills) would have allowed self-funded plans, not subject to state insurance regulation, to make an annual election to opt-in to the surprise billing prohibition and dispute resolution process. THA expressed concerns with the legality and operational feasibility of this approach. Ultimately, the bills did not pass. (Senate Bill 1530/House Bill 3299)

A bill filed by Rep. Chris Turner (D-Sherman) would have required hospitals and other health care facilities in Texas to accept the Medicare payment amount as payment in full for any services provided to first responders, retired first responders or their dependents. THA testified in opposition to the bill, highlighting the threat the bill posed to existing contracts and the precedent that may lead to legislatively mandated repricing of the cost of health care for all state, city and other government employees. Despite tough questions by committee members to justify the basis of hospital charges, the bill was left pending in committee. (House Bill 3999)

THA testified in support of legislation by **Sen. Jose Menéndez** (D-San Antonio) and **Rep. Julie Johnson** (D-Carrollton) that passed to require a health plan's network directory to clearly identify which radiologists, anesthesiologists, pathologists, emergency physicians, neonatologists and assistant surgeons are in-network at network facilities. The bill also adds transparency to health plan prior authorization policies and procedures. (Senate Bill 1742/House Bill 2630)

Contacts:

John Hawkins: jhawkins@tha.org Sara Gonzalez: sgonzalez@tha.org Cameron Duncan, III, J.D.: cduncan@tha.org

Hospital Licensing and Regulation

Identical legislation by Sen. Lois Kolkhorst (R-Brenham) and **Sen. Charles Schwertner** (R-Georgetown) sought to reform the hospital licensing process and impose mandatory inspection schedules and increase penalties for violations. Neither bill received a hearing in the Senate. (Senate Bill 199/Senate Bill 1085)

THA testified against a bill by Rep. Stephanie Kick (R-Fort Worth) that would have allowed the public to access hospital investigation and inspection reports. Although this is the second session Rep. Klick filed this language, it failed to pass again. (House Bill 2133)

Contacts:

Carrie Kroll: ckroll@tha.org Steve Wohleb, J.D.: swohleb@tha.org Cameron Duncan, III, J.D.: cduncan@tha.org Cesar Lopez, J.D.: clopez@tha.org

Jennifer Banda, J.D.: jbanda@tha.org

Hospital Operations

Hospital Liens

THA worked with Rep. Jeff Leach (R-Plano) and Sen. Kelly Hancock (R-North Richland Hills) to file legislation to ensure that Texas hospitals receive fair reimbursement for health care services provided to a patient injured because of another person's fault or negligence. The bill clarifies existing law governing the ability of Texas hospitals to recover from a financial settlement or judgment an injured patient receives from an at-fault party to recoup the costs of health care provided, no matter where in the hospital the care is provided. Similar to the 2017 legislative session, the bill again faced opposition, but this time, ultimately passed after negotiations with the Texas Trial Lawyers' Association and other stakeholders. THA and TTLA agreed to support protecting patients and ensuring predictability by limiting the amount of a hospital lien to the lesser of 50 percent of amounts recovered by the injured individual or the amount of the hospital's charges for care provided to the injured individual during the first 100 days of hospitalization. (House Bill 2929)

Forensic Material Related to Sexual Assault

The increasing attention to the backlog of rape kits waiting to be tested led to a significant amount of legislation intended to improve the process in Texas. **Rep. Victoria Neave** (D-Dallas) filed legislation to extend the statute of limitations for sexual offenses and improve the analysis and preservation of evidence. THA worked closely with Rep. Neave's office to ensure that the new collection timelines in the legislation will be procedurally feasible for hospitals. The bill passed. (House Bill 8)

Rep. Neave also filed legislation related to the reimbursement for the performance of forensic medical exams. After hearing from her Dallas-area hospitals and law enforcement that payment was fragmented and cumbersome, Neave developed a bill that will allow hospitals to be directly reimbursed by the Office of the Attorney General. THA worked closely with her office on

the language in the bill and the standards put in statute. The bill passed. (House Bill 616)

THA also worked closely on passed legislation by **Sen. Jane** Nelson (R-Flower Mound) that will establish a statewide telehealth center for sexual assault forensic medical examinations, with the intention of increasing access statewide to sexual assault nurse examiners. (Senate Bill 71)

Public Information Act

During the 86th legislative session, Rep. Giovanni Capriglione (R-Southlake) and **Sen. Kirk Watson** (D-Austin) revived efforts from last session to undo two Texas Supreme Court opinions restricting the information subject to the Public Information Act. The concern for Texas hospitals is when a private entity is considered a governmental body for the purposes of the PIA because of the receipt of public funds. THA assembled a workgroup, participated in a variety of stakeholder meetings and forums and met with legislators to highlight the unique concerns of private hospitals and the subcontractors of public hospitals that are subject to extensive reporting requirements, as well as HIPAA. Ultimately, the legislation that passed will only require a private entity that contracts with a governmental body to respond to a PIA request for a limited set of information related to the contracts if the information was not in the possession of the governmental body. In addition, companion legislation clarifies that protected health information is not public information subject to these requests. (Senate Bill 943/House Bill 2189; Senate Bill 944/House Bill 2191)

A bill by **Rep. Stephanie Klick** (R-Fort Worth) would have removed most of the confidentiality protections to information obtained by the Texas Health and Human Services Commission related to hospital investigations and complaints and open that information up to disclosure, subpoena, discovery and other means of legal compulsion. Highlighting the unreasonable litigation risk the bill would pose to hospitals, THA testified in opposition to the bill, which died in committee. (House Bill 2133)

Contacts:

Jennifer Banda, J.D.: jbanda@tha.org Carrie Kroll: ckroll@tha.org Steve Wohleb, J.D.: swohleb@tha.org Cameron Duncan, III, J.D.: cduncan@tha.org Cesar Lopez, J.D.: clopez@tha.org

Liability

As a result of Hurricane Harvey and concerns raised by health care professionals in the aftermath, THA and the Texas Medical Association worked closely with **Sen. Joan Huffman** (R-Houston) and **Rep. Tom Oliverson** (R-Cypress) to file and ultimately pass legislation to expand liability protections for health care workers and the facilities that sponsor the care during natural or manmade disasters. After Hurricane Harvey hit the Texas Gulf Coast in August 2017, volunteer health care professionals from around the nation rushed to fill a void in care delivery. However, many health care professionals who were not affiliated with nonprofit organizations ultimately chose not to volunteer for fear of potential liability. Before the 86th Legislature adjourned, Gov. Greg Abbott (R) signed the bill, which took immediate effect. (Senate Bill 752/House Bill 1353)

A bill by Rep. Joe Moody (D-El Paso) and Sen. Bryan **Hughes** (R-Mineola) passed that clarifies circumstances to which exceptions for the willful and wanton standard of proof in emergency cases applies. The bill was filed in response to a Texas Supreme Court case interpreting the circumstances to which the higher standard of proof applies. Former legislators testified in committee hearings that the court ruling was not consistent with the original intent of the legislature when it passed the law in 2003. The bill that passed was heavily negotiated between the Texas Trial Lawyers' Association and Texas Alliance for Patient Access and was supported by a broad coalition of stakeholders, including THA. (House Bill 2362/Senate Bill 2378)

Rep. Dan Flynn (R-Canton) and Rep. Ed Thompson (R-Pearland) brought legislation that sought to eliminate any cause of action for wrongful birth. The bill ultimately died in the House Calendars Committee. (House Bill 4199)

Rep. Gene Wu (D-Houston) refiled a bill that died last session that would have tied non-economic damages awarded in a health care liability claim to the consumer price index—and done so retroactively to the law's enactment in 2003. The bill initially would have raised the cap for non-economic damages by 37 percent, from \$250,000 to \$342,265, each for physicians, the first hospital/ health care facility and any additional facilities. THA and the Texas Alliance for Patient Access opposed the bill, and it died after being heard in its House committee. (House Bill 765)

Contacts:

Jennifer Banda, J.D.: jbanda@tha.org Carrie Kroll: ckroll@tha.org Steve Wohleb, J.D.: swohleb@tha.org Cesar Lopez, J.D.: clopez@tha.org Cameron Duncan, III, J.D.: cduncan@tha.org

Maternal Health

The legislature continued its focus on improving state rates of maternal mortality and morbidity. Texas legislators also were very attuned to the concerns of hospitals that experienced frustration with the Texas Department of State Health Services' new neonatal and maternal levels of care designation processes. As chair of the Senate Health & Human Services Committee, Sen. Lois Kolkhorst (R-Brenham) filed legislation to add increased flexibility into the process. Her bill was heavily negotiated with THA, physicians and advanced practice nurse advocacy groups as well as regulators and inspectors. Ultimately legislation passed that will add additional appeal avenues, a waiver process and allow

for increased use of telemedicine to meet the standards. TDSHS also will be required to conduct a strategic review of the practical implementation of the neonatal and maternal designation process. (Senate Bill 749)

Sen. Lois Kolkhorst (R-Brenham) passed an omnibus maternal and newborn health bill to improve maternal health data and the quality of care provided to women in certain health care programs in order to reduce the rates of maternal mortality and morbidity. The House added language requiring hospitals to provide to the Texas Department of State Health Services data related to

maternal deaths within 30 days of the death. The bill also provides \$14.7 million in state general revenue to the postpartum care package of services in the Healthy Texas Women program. (Senate Bill 750; Senate Bill 2150; Senate Bill 559/House Bill 1255)

Sen. Kolkhorst also passed legislation creating a newborn screening preservation account. In the final days of session, Rep. Sarah Davis (R-West University Place) amended the bill to include key components of her maternal health legislation that had died, requiring the Texas Health and Human Services Commission to study and report on the benefits and costs of permitting Medicaid reimbursement of prenatal and postpartum care through telemedicine. It also establishes a pregnancy medical home pilot program and a high-risk maternal care coordination pilot. (Senate Bill 748; House Bill 1111)

Sen. Jane Nelson (R-Flower Mound) passed legislation that directs the Texas Department of State Health Services to develop tools and best practices necessary to assess and treat opioid use disorders among pregnant women and to prevent opioid-related overdose among pregnant and post-partum women. THA testified in support. (Senate Bill 436)

Rep. Shawn Thierry (D-Houston) filed a bill to create a statewide maternal mortality and morbidity registry to which Texas

hospitals would submit data. THA opposed the initial, broadly drafted legislation but was able to support the bill after working with Rep. Thierry on revised language that would have directed the Texas Department of State Health Services to establish a workgroup to make recommendations on the secure data registry. The bill was never scheduled for vote before the full Texas House. (House Bill 2703)

Legislation passed by **Sen. Donna Campbell** (R-New Braunfels) and Rep. Candy Noble (R-Lucas) will prohibit state dollars from supporting an abortion provider or an affiliate of an abortion provider. The bill's target was Planned Parenthood and its contractual arrangements with cities and counties, but the bill as filed had the potential to significantly impact public hospitals because of the broad definition of "affiliate." THA worked with legislative leadership and the bill authors to ensure that hospitals were exempted from the legislation. Although there were attempts to put hospitals back into the bill, THA was successful in maintaining the hospital exemption. (Senate Bill 22)

Contacts:

Jennifer Banda, J.D.: jbanda@tha.org Carrie Kroll: ckroll@tha.org Steve Wohleb, J.D.: swohleb@tha.org Sharon Beasley: sbeasley@tha.org Kate Hendrix: khendrix@tha.org

Medicaid Managed Care

This session, Medicaid managed care was a moving target, with about 200 bills filed to strengthen the program in Texas, which covers more than 90 percent of the state's 4 million Medicaid enrollees. During the interim, THA participated in a series of meetings to identify opportunities to streamline care delivery. THA's priority was to reduce the approval period from three business days to 72 hours for services or equipment necessary to discharge patients from hospitals to lower levels of care. Originally, compromise language supported by THA, the Texas Medical Association, Texas Association of Health Plans and Texas Association of Community Health Plans was set to appear in a bill by Rep. James Frank (R-Wichita Falls); however, the bill died in

calendars. THA pursued several vehicles for the 72-hour discharge timeline, which, at THA's request, was offered by Rep. Sarah Davis (R-West University Place) as an amendment in the House to a bill by Sen. Charles Perry (R-Lubbock). THA and member hospitals persuaded Sen. Perry to support the language, which was included in the final version of the bill that passed. (House Bill 4178; Senate Bill 1096)

Contact:

John Hawkins: jhawkins@tha.org Sara Gonzalez: sgonzalez@tha.org Cameron Duncan, III, J.D.: cduncan@tha.org

Physician Licensure and Practice

Legislation by Rep. Morgan Meyer (R-Dallas) and Sen. Bryan Hughes (R-Mineola) will increase oversight by the Texas Medical Board of hospital 501(a) health organizations. As filed, the bill was cumbersome and overly prescriptive. After engagement between the Texas Medical Association and several large hospital systems and their physician leaders, the

legislation was pared back to give TMB additional oversight solely of allegations of retaliation. (House Bill 1532)

Sen. Dawn Buckingham (R-Lakeway) continued her efforts to restrain hospital requirements of maintenance of physician board certification. THA negotiated the filed bill with Sen. Buckingham and the Texas Medical Association to reach an agreement on language that only would have required an annual notification to the medical staff about a hospital's bylaws

process. Ultimately, the bill failed in the House in the last days of the session. (Senate Bill 1882)

Contacts:

Jennifer Banda, J.D.: jbanda@tha.org Steve Wohleb, J.D.: swohleb@tha.org Cameron Duncan, III, J.D.: cduncan@tha.org

Cesar Lopez, J.D.: clopez@tha.org

Public Health

Handgun Possession

This session, several bills were filed to clarify policies governing the carrying of weapons in hospitals and health-related settings. While Texas hospitals initially were included in several bills, the Texas Hospital Association worked with the bills' authors to exempt hospitals from the legislation. Rep. Dennis Paul (R-Houston) and Sen. Bryan Hughes (R-Mineola) filed legislation to prohibit owners of commercial or residential property from denying tenants' ability to carry firearms on leased property via terms of the lease agreement. Rep. Dade Phelan (R-Beaumont) and **Sen. Brandon Creighton** (R-Conroe) filed legislation to allow the owner or administrator of a hospital that is operating as an emergency shelter in a disaster declared area to allow possession of a firearm by a license holder on hospital premises. THA opposed and testified against both bills in committee and worked with the bill authors to exclude hospitals from the legislation. Both bills passed and do not impact Texas hospitals. (Senate Bill 19/House Bill 302; House Bill 1177/Senate Bill 506)

A bill by **Sen. Donna Campbell** (R-New Braunfels) and **Rep. Dan Flynn** (R-Canton) filed legislation that reduces the penalty for license holders who fail to adhere to posted "no carry" signs on private property, including hospitals. (Senate Bill 535/House Bill 1231)

Tobacco use

The Texas Hospital Association supported successful legislation by Sen. Joan Huffman (R-Houston) and Rep. John Zerwas (R-Richmond) that will raise the legal age to purchase tobacco products from 18 to 21, except for military personnel. The bill is a priority for the Texas Public Health Coalition, of which THA is a member. (Senate Bill 21)

Newborn screening

Several bills were filed to improve screening and detection of potentially fatal diseases in newborns. THA testified on a bill by Sen. Beverly Powell (D-Burleson) and Rep. Stephanie Klick (R-Fort Worth) that creates an electronic portal for providing parental consent to newborn screening exams. Legislation by **Sen. Lois Kolkhorst** (R-Brenham) establishes a newborn screening preservation account that will enable the Texas Department of State Health Services to maintain current levels of screening, expand the program to include other recommended screenings and make necessary upgrades and improvements to the laboratory. Similar legislation by Sen. Kolkhorst requires TDSHS to provide for more price stability and cost information for newborn screening and health plan coverage of tests. All of the bills passed. (Senate Bill 1404/House Bill 3735; Senate Bill 748 Senate Bill 747)

Vaccines

As outbreaks of diseases long thought eradicated, like measles, mumps and whooping cough, have resurfaced nationwide, the Texas Legislature's position on vaccination is as polarized as the legislation it filed on the issue. Amid an ongoing measles outbreak in Texas that began in 2018, a bill by Rep. Matt Krause (R-Fort Worth) to make it easier to submit school-based vaccine exemptions and prevent the state health department from tracking them was met by legislation by Sen. Kel Seliger (R-Amarillo) and Rep. J.D. Sheffield (R-Gatesville) to give parents access to more information about how many students in local schools are not vaccinated and require the health department to publicly post exemption rates by school. Sen. Bob **Hall** (R-Edgewood) also proposed legislation that to prohibit physicians from refusing to see unvaccinated patients. None of the bills made it out of committee. (House Bill 1490; Senate Bill 329/House Bill 3551; Senate Bill 2351)

Two positive outcomes from the vaccine debate are bills by **Rep.** Dade Phelan and Sen. Lois Kolkhorst (R-Brenham) that passed to provide first responders direct access to their immunization information in the event of a disaster and require first responders who apply for emergency certification to be made

aware of their vaccination status through the information made available on ImmTrac2, the Texas Health and Human Services Commission's opt-in vaccine database. (House Bill 1418; House Bill 1256)

Contact:

Carrie Kroll: ckroll@tha.org Cesar Lopez, J.D.: clopez@tha.org Sharon Beasley: sbeasley@tha.org

Rural Hospitals

In addition to the rural hospital rate enhancements included in the state budget (see p. 18), several bills were filed to help address the financial challenges of rural hospitals and increasing vulnerability of rural communities. A bill by **Sen. Charles Perry** (R-Lubbock) will require the Texas Health and Human Services Commission to develop a cost-based, prospective reimbursement methodology for rural hospitals that is updated every two years to reflect hospitals' most recent cost data. **Sen.** Lois Kolkhorst (R-Brenham) filed legislation that would have required the Texas Health and Human Services Commission to develop a strategic plan to ensure access to hospital services in rural areas of the state and to establish a Rural Hospital Advisory Committee. The legislation also would have required the state to establish a new category of hospital license for limited services rural hospitals if the U.S. Congress authorizes the framework

for such a license, but the bill ultimately died in the House Calendars Committee. Another bill by Sen. Kolkhorst targeted the authorization of the limited services rural hospital license, but ultimately was used as the vehicle for the strategic plan and advisory committee provisions of her legislation that died in the House Calendars Committee. THA supported each of these bills. Sen. Perry's and Sen. Kolkhorst's bills passed. (Senate Bill 170; Senate Bill 1622; Senate Bill 1621)

Contacts:

John Hawkins: jhawkins@tha.org Steve Wohleb, J.D.: swohleb@tha.org Kate Hendrix: khendrix@tha.org

State Agency Operations

Legislation by Sen. Juan "Chuy" Hinojosa (D-McAllen) and Rep. Sarah Davis (R-West University Place) was filed in consultation with the Texas Health and Human Services Commission to increase administrative support for the agency's implementation of Texas hospitals' Medicaid supplemental payment programs. As filed, the bill granted THHSC authority to collect up to one percent of hospitals' supplemental payments—up to \$53 million. The Texas Hospital Association engaged THHSC leadership, the bill authors and budget leaders to develop a compromise that would grant the agency authority to capture less funds while recognizing the need for additional administrative support to administer the increasingly complex hospital supplemental payment programs. The bill passed to grant THHSC the ability to collect \$8 million annually, with the ability to increase up to .25 percent with approval of the Legislative Budget Board and the Office of the Governor. THA also successfully added a requirement that any funds be used solely for additional administrative purposes and not supplant existing general revenue funds and agency work. THA also requested transparency reporting. THHSC will be required to release an annual accounting of the use of funds. The bill passed. (Senate Bill 2138)

As Sen. Hinojosa's legislation was debated on the House floor, it became the vehicle for a number of amendments. One of the amendments added THA-supported legislation by Sen. Nathan Johnson (D-Dallas) that had failed to pass independently. The amendment requires THHSC's Office of Inspector General Medical Appeal Unit to comply with federal coding guidelines. The amendment was retained in the final version of Sen. Hinojosa's legislation. (Senate Bill 1458)

A bill by **Sen. Dawn Buckingham** (R-Lakeway) passed to require the Texas Health and Human Services Commission to study the effectiveness of using the Medicare education adjustment factor to calculate the medical education add-on used to reimburse teaching hospitals for the provision of inpatient hospital care under Medicaid. (Senate Bill 1991)

Contacts:

John Hawkins: jhawkins@tha.org Jennifer Banda, J.D.: jbanda@tha.org Kate Hendrix: khendrix@tha.org

State Budget for 2020-2021

Texas hospitals secured a number of wins in the 2020-2021 state budget and the supplemental budget that covers expenses for 2019 and other items. In addition to hospitals' legacy Medicaid rate enhancements and new rate enhancements for trauma, children's and rural hospitals, (see p.6) the state also made significant investments in behavioral health and maternal care.

THA testified in support of \$6 million in state general revenue to integrate the Prescription Monitoring Program with hospitals' electronic medical records, which lawmakers adopted. They also invested nearly half a billion dollars to improve access to inpatient and outpatient behavioral health care. Lawmakers pulled \$445.4 million from the state's savings account, the Economic Stabilization Fund, better known as the "Rainy Day Fund," to support the second of a three-phase plan to design the state psychiatric hospital system. Lawmakers' \$26 million in state general revenue investment will support 50 new inpatient beds at nonstate psychiatric hospitals.

During budget conference committee negotiations, THA worked to improve two requirements in the budget related to Texas' Medicaid 1115 Waiver. **Rep. Sarah Davis** (R-West University Place) sponsored a rider aimed at reporting of information from the Waiver's Delivery System Reform Incentive Payment program, set to expire by October 2021. The initial language required the Texas Health and Human Services Commission to provide a report evaluating the cost-effectiveness of each DSRIP project and a recommendation about its continuation. The final version primarily leverages existing information reported to THHSC. A House rider directed the study of a potential supplemental payment program for public ambulance providers. THA worked to include a provision requiring THHSC to analyze the effect of any such program on the Waiver's Uncompensated Care pool funding and whether eligible ambulance providers should continue to be eligible for uncompensated care payments.

With a focus on efforts to reduce maternal mortality and morbidity, state lawmakers invested \$7 million in state general revenue for statewide maternal safety initiatives, \$3 million of which directly supports the TexasAIM initiative, which THA leads with the Texas Department of State Health Services. Also included in the budget is a charge for the Texas Health and Human Services Commission to work with the Centers for Medicare & Medicaid Services to add bulk purchasing of long acting reversible contraceptives to the Healthy Texas Women Medicaid 1115 Waiver. In addition, the legislature included \$14.7 million in state general revenue to implement a limited postpartum care package in the Healthy Texas Women program, contingent on the enactment of Sen. Lois Kolkhorst's (R-Brenham) Senate Bill 750.

Lawmakers provided \$6 million in state general revenue for grants to Sexual Assault Forensic Exam-ready facilities. Awarded annually, \$3 million will be awarded equally between existing SAFE-ready designated facilities and facilities that are not yet SAFE-ready designated but can use the grants to achieve the designation.

The legislature also always directs THHSC to achieve an acrossthe-board biennial savings of a certain amount. For the 2020-2021 biennium, THHSC will be required to contain costs of at least \$350 million in state general revenue without adjusting the amount, scope or duration of services or otherwise negatively impacting access to care. Prior to making any changes, THHSC is required to consider stakeholder input, including complying with any statutory requirements related to rulemaking and public hearings. THA will closely monitor THHSC's cost containment initiatives to ensure hospitals are not impacted.

Contacts:

John Hawkins: jhawkins@tha.org Jennifer Banda, J.D.: jbanda@tha.org Kate Hendrix: khendri@tha.org

Telemedicine

Rep. Four Price (R-Amarillo) filed a bill to permit a Level IV designated trauma hospital in a county of fewer than 30,000 residents to satisfy the physician requirement through the use of telemedicine. THA supported the legislation, which ultimately passed. (House Bill 871)

Sen. Dawn Buckingham (R-Lakeway) and **Rep. Price** passed legislation that updates the existing state law governing Medicaid telemedicine and telehealth services in order to remove certain unnecessary and burdensome provisions to ensure that patients and providers have access to a full array of choices when using telemedicine and telehealth services. Another bill by Rep. Price

seeks to improve patient health outcomes and contain health care costs through the use of telemonitoring by repealing the expiration of the Medicaid telemonitoring reimbursement program. All of the bills passed. (Senate Bill 670/House Bill 870; House Bill 1063)

Contact:

Sara Gonzalez: sgonzalez@tha.org Cesar Lopez, J.D.: clopez@tha.org

Workforce

Several bills were filed during the 86th Legislature to address laws related to the health care workforce, as shortages of all provider types continue to be a challenge in the state with a rapidly growing and aging population.

The Texas Nurses Association brought legislation to Rep. Stephanie Klick (R-Fort Worth) and Sen. Charles Perry (R-Lubbock) to allow a nurse orally to request a safe harbor determination. After consultation with nurse leaders, THA raised concerns with a process that would not have documented in writing safe harbor initiation. THA worked with TNA and Rep. Klick on compromise legislation that will simplify the safe harbor process for a nurse engaged in patient care while still preserving a written record of the request. The bill passed. (House Bill 2410)

As a former registered nurse, **Rep. Donna Howard** (D-Austin) continues to make workplace violence prevention a priority. She filed legislation requiring health care facilities to develop and implement substantive and extensive workplace violence prevention programs. After consulting nurse and hospital leaders, THA worked through the bill with Rep. Howard and TNA to develop substitute language that reflected the efforts being made today in Texas hospitals and would establish a very good first step in workplace violence prevention. THA supported the substitute bill and testified for it in the House committee. The bill passed the House Public Health Committee but was never set for a vote before the Texas House of Representatives. (House Bill 1146)

Human trafficking prevention was an issue at the forefront of the 2018 elections and was a priority for the legislature. THA was approached early in the session by Rep. Cesar Blanco (D-El Paso) to comment on draft bill language requiring extensive human trafficking prevention training for all health care providers, which hospitals would have had to track. After consultation with member hospitals, THA was able to help craft compromise language that will require all direct care health workers to undertake an approved human trafficking prevention continuing education course as part of the provider's health care licensing requirements. THA supported the bill, which passed. (House Bill 2059)

THA continued support for dedicating a portion of the Higher

Education Permanent Fund, based on proceeds of the tobacco settlement, at the Texas Higher Education Coordinating Board to nursing education. The funding supports nursing schools in the form of grants. The bill by **Rep. Donna Howard** (D-Austin) will dedicate the funds to nursing through August 31, 2023. (House Bill 1401)

Texas hospitals continue to pursue legislation to allow for the direct employment of physicians. Three bills passed this session giving Hunt County Hospital District, Lubbock County Hospital District and Parker County Hospital District the ability to directly employ physicians. Each bill contained provisions to protect the independent medical judgment of the employed physicians. THA supported all three bills. (House Bill 1227; House Bill 3463; House Bill 4663)

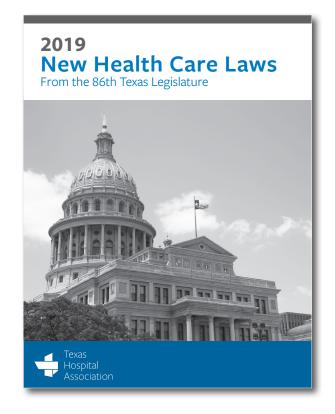
Contact:

Jennifer Banda, J.D.: jbanda@tha.org Cameron Duncan, III, J.D.: cduncan@tha.org





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