

Protecting Critical Health Care Funding in the State Budget

Texas hospitals advocate for a 2020-2021 state budget that appropriates funding to **support the state's growing population and a strong health care infrastructure.**

To continue providing the highest quality health care when and where Texans need it, the Texas Hospital Association urges the Texas Legislature to:



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



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

Hospitals need **Medicaid payments that are closer to the actual costs of providing care** as well as payments to protect Texans' access to specialized lifesaving, maternal and behavioral health care across the state, including fragile rural communities.

Medicaid reimbursement covers, on average, 67 percent of Texas hospitals' inpatient care costs and 68 percent of outpatient care costs for enrollees. If rate enhancements are not maintained, Medicaid reimbursement will cover an even smaller proportion of care costs.

With 4.8 million Texans lacking health insurance, **assuring women's access to comprehensive pre- and post-natal care** is challenge. While Texas hospitals are working to reduce preventable maternal mortality and morbidity through TexasAIM, the fragility of the state's rural hospitals complicates access to care. Since 2013, 20 rural hospitals have

closed—more than any other state. Just 66 of the state's more than 160 rural hospitals provide labor and delivery services.

Because more than 73 percent of Texas counties are Mental Health Professional Shortage Areas, Texans' **access to community-based behavioral health care** is limited. Individuals often have to experience psychiatric crisis before seeking treatment, and the critical shortage of inpatient behavioral health beds forces reliance on hospital emergency departments for acute behavioral health treatment.

At the same time, Texas' **trauma care system** is one of the strongest and most effective in the nation. The Legislature's long-time commitment to funding trauma hospitals is a key factor in that success, but continued, sustained funding is needed to ensure that Texas trauma hospitals can meet the needs of a rapidly growing population.

Critical Health Care Funding Needed in State Budget (2020-2021)

Hospital Rate Enhancements

- \$140 million GR-D:** Maintain Medicaid rate enhancement for designated trauma hospitals (*House and Senate, HB 1*).
- \$23 million GR:** Maintain Medicaid rate enhancement for rural hospitals' outpatient services (*House and Senate, HB 1*).
- \$116 million GR/GR-D:** Maintain Medicaid rate enhancement for safety net hospitals (*House and Senate, HB 1*).
- \$25 million ESF:** Grant funding for designated trauma hospitals (*House, SB 500*).
- \$100 million GR:** Medicaid rate enhancement for children's hospitals (*House, SB 500*).
- \$55 million GR:** Medicaid rate enhancement for rural hospitals' inpatient services (*House, HB 1*).
- \$6 million GR:** Medicaid rate enhancements for rural hospitals' labor and delivery services (*Senate, HB 1*).

Behavioral Health

- \$6 million GR:** Funding to integrate the state's Prescription Monitoring Program with hospitals' electronic medical records (*\$6 million in House, SB 500. \$5 million in Senate, HB 1*).
- \$39 million GR:** Inpatient beds at non-state psychiatric hospitals (*\$39 million in House, HB 1. \$11 million in Senate, HB 1*).
- \$50 million GR:** Substance use disorder treatment (*House, HB 1*).
- \$769 million ESF:** Phase II of state psychiatric hospital redesign planning and construction (*\$659 million in House, HB 1. \$300 million in Senate, SB 500*).

Maternal Health

- \$67 million GR:** Extending Medicaid eligibility for women following delivery from 60 days to 12 months (*\$20 million contingency in House, HB 1*).
- \$7 million GR:** Statewide maternal safety initiatives (*Contingency in House, HB 1*).
- \$3 million GR:** Maternal safety initiatives through TexasAIM (*Senate, HB 1*).
- \$8 million GR:** Bulk purchasing of long acting reversible contraceptives for providers in the Family Planning or Healthy Texas Women Programs (*House, HB 1*).

Workforce

- \$20 million GR:** Maintain Professional Nursing Shortage Reduction Program funding and include the House rider to study the program's effectiveness to reduce the nursing shortage (*\$19.9 million in House and Senate, HB 1*).
- \$60 million GR:** Expansion of graduate medical education for physician training (*House and Senate, HB 1*).

Medicaid Managed Care Administration

- \$755,000 GR:** Independent review organization contractor for Medicaid managed care external medical reviews (*House and Senate, HB 1*).

GR: State General Revenue

GR-D: Dedicated Account of State General Revenue

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

More information at
www.tha.org/StateBudget.