

# Defending Texas Hospitals: Laying Groundwork

## Goal: Neutralize Negative Hospital Narrative

- Use Data
- Grassroots Advocacy
- Tell Hospitals' Story and Reinforce Relevance of Hospitals
- Digital, News Media
- Front and Center in the Conversation (Texas Tribune)



## THE TEXAS TRIBUNE

PAID POST

### TEXAS HOSPITAL ASSOCIATION

#### Hospitals pulled us through a pandemic – Now let's pull for them

The passage of time takes the sting out of painful memories. It's a coping mechanism that allows us to move on from trauma and move forward with hope.



# Defending with Data

**Dobson DaVanzo Partnership** – Texas-specific impacts of directed payment programs going away

**Kaufman Hall Partnership** – Texas-specific impacts of COVID-19 on hospitals

**Senate Finance Letter** – THA clarification on assertions that hospitals were enriched during pandemic; notable data points:

- **Supplemental Medicaid payments still do not cover \$4.6 billion every year in unreimbursed costs**
- **The COVID-19 Uninsured Fund paid \$3.6 billion in claims to Texas providers for uninsured care**
- **Hospitals have incurred roughly \$3 billion in unreimbursed COVID-19 costs, of which \$1.25 billion is unreimbursed staffing**



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July 8, 2022

Dear Members of the Texas Senate Finance Committee:

We wanted to take a moment to thank you for the discussion at the June 14 Senate Committee on Finance hearing concerning interim charges on Medicaid funding, including the 1115 Medicaid waiver, and the pandemic's impact on long term care facilities. We also wanted to provide more detail on several points to ensure full understanding of the current hospital finance situation.

While state and federal COVID-19 relief has been a lifeline for many health care providers, hospitals remain in a precarious position as they continue to battle historic workforce shortages and soaring expenses – extreme costs that far outpace relief.

#### **Hospitals Are Foundational to Texas' Public Health Response**

During the pandemic, nearly 500,000 COVID-19 patients have been admitted to Texas hospitals.<sup>1</sup> Aside from admitted patients, millions more have been tested, treated, or vaccinated for COVID-19 in hospital outpatient and emergency settings. Over the same time, hospitals saw sicker patients and increased expenses from patients who avoided routine care they needed or were forced to delay non-emergent procedures.<sup>2</sup> Hospitals are required by state and federal law to examine all patients and treat any emergency conditions, regardless of ability to pay; this obligation is in place regardless of whether a pandemic exists.

As part of the state's COVID-19 response early in the pandemic, and amid a rapidly increasing need for COVID-19 hospital care, the Governor's Office stated that "every Texan who needs access to a hospital bed will have access to a hospital bed."<sup>3</sup> Hospitals incurred extraordinary expenses through multiple surges to ensure this access to care was possible. Labor costs soared to levels never seen in the industry amid a shortage of health care workers and nationwide market competition to fill these workforce roles. Significantly increased workforce rates were evident in the enormous allocations of funding used to supply Texas health care facilities with surge workforce staff and maintain patient bed capacity statewide.



# Grassroots Defense

***“Unfortunately, as hospitals work to rebuild from a costly pandemic, others work to capitalize on a weakened system and dismantle efforts that help preserve the state’s critical health care safety net.”***

## Grassroots Advocacy Needed From Hospitals, Constituents

- Hospital Profits
- Price Transparency
- Hospital Consolidations
- Facility Fees
- Behavioral Health Funds
- Coverage Expansion
- Closure Risk
- Payer Accountability



## Refute With Facts: Hospitals Face Reductions Despite Life-Saving Mission

Hospitals across the country are facing mounting pressures following more than two years of putting patients first during a relentless, unpredictable and deadly pandemic. Hospitals kept the lights on, braved the frontlines and cared for all Texans with emergency conditions, regardless of their ability to pay.

Unfortunately, as hospitals work to rebuild from a costly pandemic, others work to capitalize on a weakened system and dismantle efforts and policies that help preserve the state’s critical health care safety net.

Simply put, hospitals proved to be the state’s strength and foundation during a public health response that brought many other entities to a standstill. As the health care industry works to return to a new normal, Texas hospitals are working to put patients – and the facts – first as they plan for the future. A recap of health care industry fiction versus the facts:



MYTH	THE FICTION	THE FACTS	FACT
	Hospital profits soared due to pandemic relief payments.	Hospitals operated at a loss throughout the pandemic.	
	Medicaid pays for the actual cost of hospital care.	Medicaid often covers only around 1/3 of the actual cost.	
	The hospital workforce was fully funded during the pandemic, creating hospital revenue and workforce stabilization.	The pandemic worsened this pain point. This year alone roughly 500k nurses are expected to leave the industry, bringing the overall shortage to 1.1M nurses.	
	Hospitals are opposed to sharing price information in an effort to improve profits.	Hospitals supported this legislation to sharing price information in an effort to improve visibility in the process.	
	Hospitals implement inappropriate facility fees that unfairly increase treatment costs.	Hospitals are often not fully compensated for their treatment costs, but are required to provide care regardless.	
	Hospitals unfairly inflate drug prices.	Hospitals never unfairly inflate drug prices.	
	With additional focus on mental health, behavioral health needs are fully funded in Texas.	Hospitals require additional focus on mental and behavioral health needs, because they are not fully funded in Texas.	
	Hospital consolidations and mergers are bad for patients and prices.	Hospital consolidations and mergers don't affect patients or prices.	
	Hospitals do not fully support and advocate for health care coverage expansion for patients.	Hospitals supported and advocated for health care coverage expansion for patients.	
	Hospitals oppose competition that ensures fair pricing.	Hospitals always ensure fair pricing.	
	Rural hospitals fared well during the pandemic and are no longer at closure risk.	Rural hospitals are most at risk of closure due to the massive revenue losses they incurred during the pandemic.	
	Hospitals are fully funded to respond to future pandemics, disaster and emergencies.	Hospitals are woefully underfunded for future pandemics, disasters and emergencies.	
	Hospitals oppose patient billing guidelines.	Hospitals support patient billing guidelines.	

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# COVID-19 Impact Report

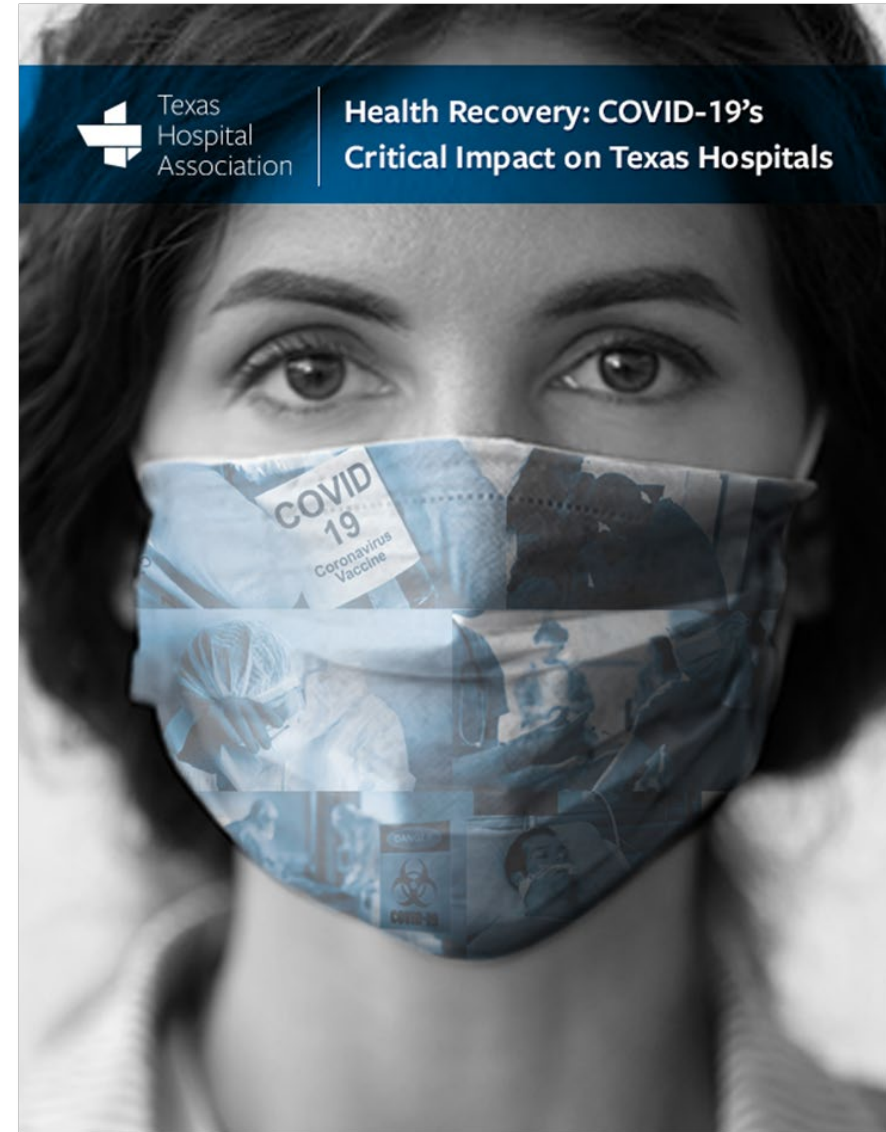
***“Texas hospitals took care of Texans during the pandemic. Now it’s time to stabilize the state’s health care infrastructure.”***

## **Impacts & Data**

- **Negative margins**
- **Risks of closure**
- **Soaring supply costs**
- **Mental health impacts**
- **Unprecedented labor shortages**

## **Heroism Under Fire**

- **Vaccine rollout**
- **Frontline burnout, risk**
- **Surge capacity**
- **PPE, Testing**
- **Emergency care, regardless of payment**



# Framing Clear Solutions



## Texas Hospitals' 2023 State Policy Priorities

DRAFT



Now more than ever, Texas hospitals have proven themselves to be critical to the health and safety of Texas. Hospitals were tested and strained like never before throughout the COVID-19 pandemic, and they kept the lights on during a time of uncertainty and darkness.



Hospitals are open around the clock, caring for all Texans with emergency conditions, regardless of a patient's ability to pay. Over the course of the pandemic, Texas hospitals tested, vaccinated and cared for millions while many entities had to shut down.



Unfortunately, this has come at a cost. The extreme toll on hospitals has far outpaced relief. Looking forward, it's clear that the battle-worn hospital industry is in critical need of resources to heal and rebuild.

Texas hospitals advocate for the resources they need to continue their life-saving mission that has proven to be foundational in a public health emergency – and every day.

Texas hospitals support policies to help rebuild the state's critical health care infrastructure to protect the state's growing population.

### Here are the 2023 state policy priorities for the Texas hospital industry:

#### 1. STATE BUDGET



- Maintain state funding of health and human services programs, including Medicaid reimbursement rates for trauma, safety net and rural hospitals.
- Targeted rural Medicaid payments to match state law and prevent additional rural hospital closures.
- 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.
- Maintain consistent funding for the state's trauma care network.

#### 2. WORKFORCE



- Support increased state funding for physician, nurse, behavioral health professional and allied health professional training, retention and loan repayment programs to address severe workforce shortages and help care for a growing population.
- Support continued health care workplace safety, retention and workplace violence reduction strategies to maintain a strong workforce.
- Support funding to address increased staffing costs caused by the COVID-19 pandemic.

#### 3. FINANCIAL STABILITY



- Support hospital reimbursement payments closer to the actual cost of services.
- Support stability and maintenance of supplemental Medicaid payments to help cover billions in unreimbursed costs, and ongoing preservation of the Medicaid 1115 Waiver.

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DRAFT



- Support continuation of the current tax structure as necessary to adequately fund essential state services, including Medicaid and other health and human services programs.
- Support statewide authorization and use of local or regional hospital provider participation funds to finance Medicaid hospital programs, defray uncompensated care costs and support access to care projects established under the Medicaid 1115 Waiver.
- Oppose decreases in hospital reimbursements, including through the use of site-neutral payments.

#### 4. HEALTH CARE COVERAGE



- Support efforts to increase the number of Texans with comprehensive health insurance.
- Support approval of 12-month postpartum Medicaid coverage for new mothers and other Medicaid expansions.

#### 5. BEHAVIORAL HEALTH ACCESS



- Support funding to address behavioral health needs.
- Support Medicaid coverage for adult behavioral health inpatient care beyond 15 days through a state waiver allowing removal of the federal prohibition on payments to "institutions for mental disease" for most adult inpatient care.

#### 6. PUBLIC HEALTH & EQUITY



- Support efforts to improve vaccination rates for vaccine preventable diseases.
- Support expanded resources to allow the state and Texas hospitals to respond to current and future pandemics, natural and man-made disasters and emergencies.
- Support expanded resources for public health data collection to assist in community protection and emergency response.
- Support policies and legislation that address documented health disparities in access, morbidity and mortality, particularly among racial/ethnic minority groups and those of lower socioeconomic status.

#### 7. PATIENT ACCESS TO CARE



- Support payer policies that reduce red tape and improve patient access to care, including limits on prior authorizations and care location policies.
- Support measures that remove overly burdensome utilization review policies, ensure robust insurance networks and strengthen access to and payment of emergency room care.
- Support patient access to price transparency data and quality data for all health care providers.
- Support increased payer accountability in contracting and payment policies, provider relations, and network adequacy.

#### 8. LIABILITY



- Oppose legislation to repeal or modify limitation on non-economic damages and future medical damages.



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# Support for Behavioral Health



**John Hawkins**  
Texas Hospital Association  
President/CEO



*Houston*  
**Medical Journal**

Behavioral Health: Top of Mind  
and Time for Change

## Rewriting the Behavioral Health Narrative

How Texas hospitals are taking on unprecedented demand for behavioral health care and helping suffering Texans find stability, treatment and hope.

WRITTEN BY: EVANGELINE WILDS

Texas hospitals are facing an urgent crisis — one that began well before the COVID-19 pandemic. The demand for behavioral health care has swelled into a tidal wave, with record numbers of Texans needing support for mental health illnesses and substance abuse disorders. While the behavioral health epidemic existed prior to COVID-19, the pandemic has intensified the need for holistic health care that addresses mental and behavioral health in conjunction with physical wellbeing.

In response to this adversity, Texas behavioral health specialists have risen to the challenge, bringing compassion and innovation to a crisis that could otherwise feel irredeemably dire. These professionals are determined to change the narrative on mental and behavioral health and offer hope to those in need — and they're changing lives every step of the way.

### Behavioral Health in Lockdown

The COVID-19 pandemic revealed a great deal about the need for increased access to behavioral health care while also exacerbating the mental health issues of many children and adults throughout Texas. Over the course of the pandemic, as Texans feared for their physical health, their mental health suffered as well. New levels of stress, anxiety and depression plagued people of all ages as continuous uncertainty gripped the nation.

According to the American Psychological Association's (APA) Stress In America report for 2020, subtitled "Stress in the Time of COVID-19, Volume One," the average reported stress level for adults in the United States was notably higher in 2020 than in 2019, marking the "first significant increase in average reported stress since the survey began in 2007." As the pandemic raged, adults struggled with job uncertainty, fear of infection, social isolation, financial losses and managing online learning for their children.

For all of these reasons and more, there has been a notable uptick in the number of patients in need of behavioral health care since the pandemic began. According to the APA, nearly twice as many psychologists reported receiving increased referrals in 2021 as compared to 2020.

Dr. Jeremy Yates, PhD, LPC-S, LCDC is an administrator at Texas Health Seay Behavioral Health Hospital in Plano, a hospital that provides inpatient and outpatient services for adolescents and adults. Since the pandemic began, Dr. Yates has noted an increase in the number of patients needing mental health care and treatment for substance use disorders (SUDs), especially those presenting with behavioral health concerns as a result of COVID-19 lockdowns and social isolation.

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MAGAZINE

*There has been a pretty significant upswing in various indicators of youth mental health needs, things like hospitalizations and ER visits and other survey data that indicate that the need has actually intensified.*

**JOSEPH C. BLADER, PH.D.**  
CHILD AND ADOLESCENT CLINICAL  
PSYCHOLOGIST,  
UT HEALTH SCIENCE CENTER  
AT SAN ANTONIO



**Texas Hospitals**  
MAGAZINE

*I think one of the most beautiful things about the Texas Child Health Access Through Telemedicine program is that we have this opportunity to ensure that kids get help now so that when they reach adulthood, they aren't dealing with these kinds of mental health issues.*

**REENA PARDIWALA**  
CLINICAL DIRECTOR OF TCHAT, CERTIFIED  
PHYSICIAN ASSISTANT PRACTICING CHILD,  
ADOLESCENT AND ADULT PSYCHIATRY,  
UT HEALTH SAN ANTONIO

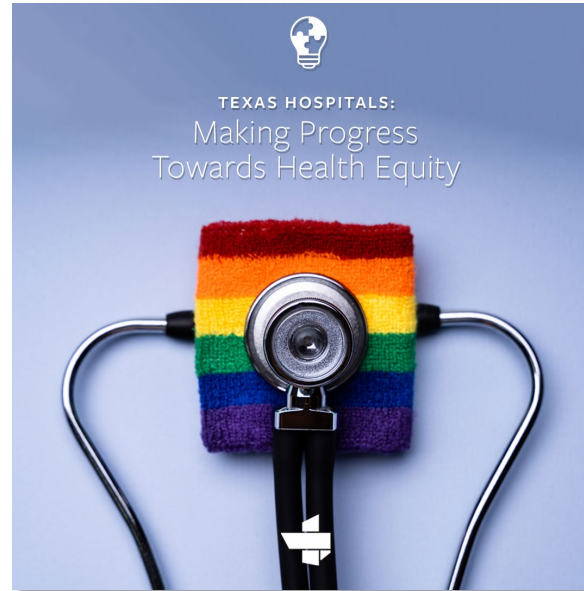




# Support for Diversity, Equity and Inclusion



Texas Hospital Association



# Faster, Cleaner Digital Presence

## Website Overhaul

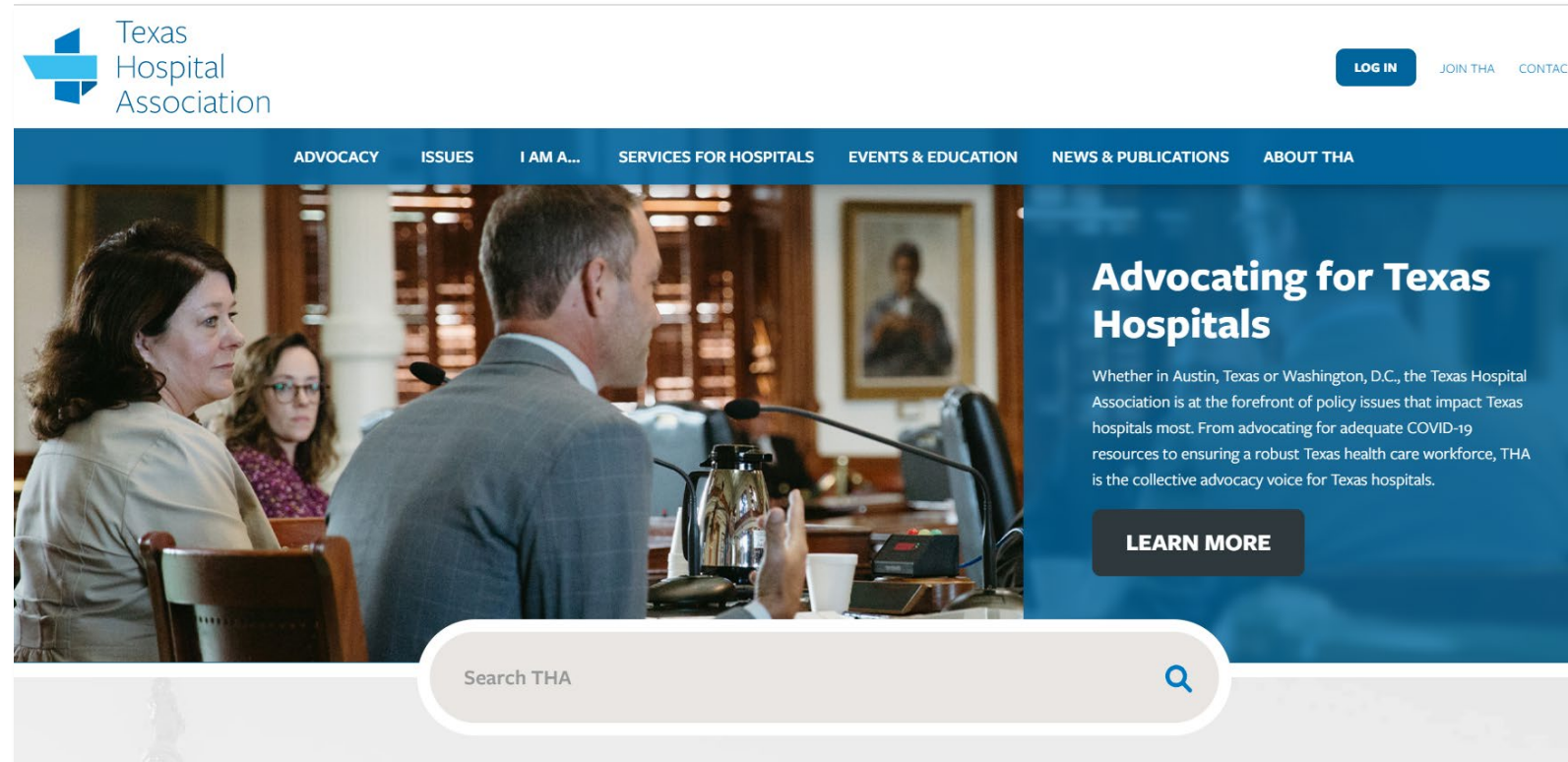
Launched in April

## Email Platform Overhaul

Fully transitioned in May

## Digital-First Strategy

Launching 2023; optimizing all content for digital delivery; micro-videos; magazine transition to digital-only



Websites



Social Media



Media  
Relations



Email  
Marketing



Print Collateral





# Sharing Hospitals' Stories

