

# 2022 Texas Legislative Update THA Fellows 11.3.22



Sara González  
Vice President  
Advocacy & Public Policy  
Texas Hospital  
Association  
[sgonzalez@tha.org](mailto:sgonzalez@tha.org)  
[www.tha.org](http://www.tha.org)



# The Texas Legislative Session

- Texas Constitution
- General Elections, Odd Years (Nov. 8, 2023)
- Biennial Regular Session for 140 Days
- Second Tuesday in January (Jan. 10, 2023)
- Bill pre-filing begins 60 days prior to the start of the session (Nov. 14, 2022)
- Sine Die!
- Special Sessions called by Governor
- Interim





## Legislative Session Dynamic

The average legislative office handles the following during the 140-day session:

- 7,000 + bills
- 6,000 + telephone calls
- 5,000 + drop-in visitors
- 8,000 + letters
- 40,000 + emails
- 600 + invitations

# 2021 Legislative Session

In this session lasting 140 days:

- +7,000 bills filed
- THA tracking +1,500

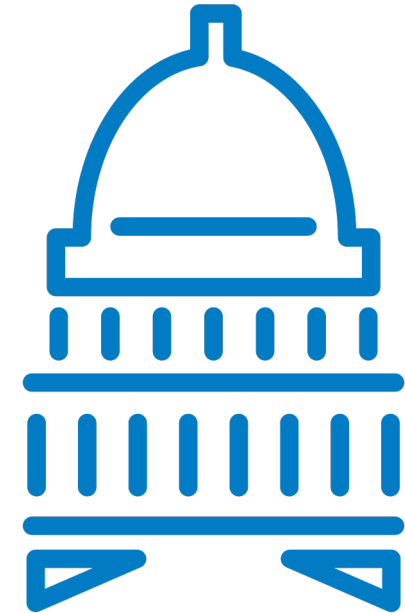
- + Special Session #1 (Quorum Break)
- + Special Session #2 (Abortions, Bail, Critical Race Theory))
- + Special Session #3 (ARPA Relief Funding, Redistricting)





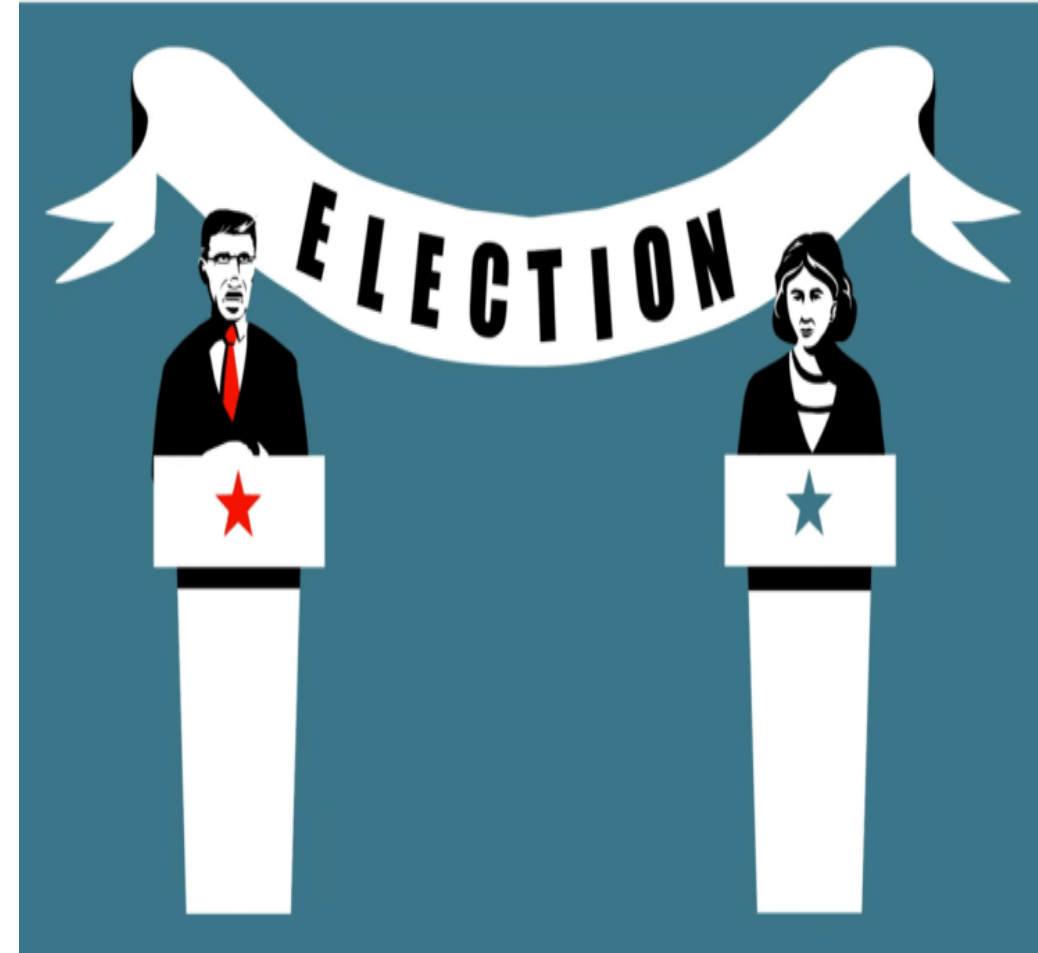
# The Constant Variable: Election Results

- Following redistricting, **all 181 seats** in the Texas Legislature (150 House, 31 Senate) will be contested in the November 2022 election.
- The makeup of the Legislature following the election always determines THA's success in advancing its priorities at the Capitol.
- Recent events that could cause shifts in voter enthusiasm/turnout (e.g. the SCOTUS decision in *Dobbs v. Jackson Women's Health Organization*) could make some races more competitive, and less predictable, than in past years.



# Election Outlook

- Texas Senate – 31 Members
  - 5 Senators announced their retirement after last session
- Texas House – 150 Members
  - 29 House members announced their retirement after last session
- Congress – 38 Members
  - 5 Congressional members announced retirement this term
  - 2 new seats created after the census.
- Post-Redistricting Election Impact
  - Senate likely +1 or +2 Republican – likely more conservative
  - House likely +4 or +5 Republican – very few competitive seats in the new maps.



# Early Voting Snapshot

2022 Total Registered Voters - 17,672,143

October 24, 2022- Early Voting Totals

- 648,128 in-person and mail-in vote totals for the day
- 3.67% of registered voters

Total Early Voting Numbers so far:

- 4,196,584
- 23.75% of registered voters

2018 Total Registered Voters – 12,225,607

October 22, 2018- Early Voting Totals

- 691,770 in-person and mail-in vote totals for the day
- 5.64% of registered voters

Total Early Voting Numbers- 2018

- 4,884,734
- 39.86% of registered voters



# Get Out the Vote Resources

- Digital toolkit available on the [THA website](#)
- Includes CEO sample email encouraging registration
- Sample social media messages
- GOTV poster

REMEMBER

Election Day is Nov. 8 and

Early Voting is Oct. 24 - Nov. 4





# HOSPAC



- THA's political action committee
- Only PAC representing all TX hospitals
- 35 member HOSPAC board
- Member-driven endorsement process
- HOSPAC strengthens THA's advocacy
- Will spend more than \$500,000 on state and federal candidates by end of 2022
- To learn more visit, [www.hospac.org](http://www.hospac.org)

**RAISING CAPITAL**  
**2022 HOSPAC ENDORSEMENTS**

**STATEWIDE RACES**

**GOVERNOR**  
 \*Greg Abbott-R  
 \*Dan Patrick-R  
 \*Clara Hughes-D

**LIKELY GOVERNOR**  
 \*Dan Patrick-R  
 \*Clara Hughes-D

**TEXAS SUPREME COURT**  
 \*Justice Debra Leffman-R  
 \*Justice Rebecca Huelsbeck-R  
 \*Justice Sam Young-R

**TEXAS CONGRESSIONAL DELEGATION**

**TEXAS HOUSE OF REPRESENTATIVES**

**TEXAS SENATE**

1101 Lakewood, Suite 700, Austin, TX 78701  
 www.hospac.org  
 info@hospac.org



# What's Next for the Texas Legislature?

- Preparation for 88th Legislative Session
- Comptroller estimating \$27B surplus currently
- 1115 Waiver Impact
- Workforce Shortages
- COVID Funds
- COVID Care
- House Select Committee on “excessive” Healthcare Costs
- Electricity
- Water
- Abortion
- Guns
- Vaccines
- Nov. 14 Bill Filing Begins for 88<sup>th</sup> Session



# Budget Deep Dive

July 14<sup>th</sup> Comptroller Updated Biennial Review Estimate: *Historic Economic Growth in Texas*

- **\$27B** Surplus for Fiscal Year ending 8/2023; Previous estimate was \$12B.
- **\$14B** Economic Stabilization Fund (“Rainy-Day”) Balance; Previous estimate \$12B.

2022-2023 Total Budget:

- \$106.48 Billion in total General Revenue
- \$251.5 Billion in All Funds

State Agency Legislative Appropriations Requests (LARs):

- Legislative Budget Board released agency instructions without a request to reduce 2024-25 budgets.
- Budget hearings underway.
- HHSC LAR Highlights:
  - HHSC projects a net supplemental appropriation need of approximately \$3.7B in GR for the 2022-23 biennium
  - HHSC currently estimates the “Tipping Point” in which the monthly costs associated with receiving the increased FMAP begin to exceed the monthly benefit of FMAP to have occurred in May/June 2022
  - 2024-24 Summary includes:
    - GR total Request (including exceptional items)- \$37,059,429,935
    - Exceptional Items - \$6,980,599,239 – These items include behavioral health, client enrollment, and other items



# Budget Deep Dive – continued

## Texas Spending Limits:

1. Debt Limit – related to issuance of state debt, cannot exceed 5% of General Revenue
2. Welfare Spending Limit – cannot spend more than 1% on welfare spending
3. Pay-as-you-go Limit – appropriations cannot exceed anticipated revenue; **can be exceeded by 4/5 vote**
4. Tax Spending Limit – growth of appropriations from state tax revenues cannot exceed estimated rate of growth of the state’s economy. The introduced budget must be written within the limit adopted by the LBB, which statute requires must be set using Texas personal income growth. In November 2020, the LBB voted to adopt 7.06% as the estimated growth in the state’s economy from the 2020-21 biennium to the 2022-2023 biennium. The limit can be exceeded by **majority vote**.
5. Consolidated General Revenue Limit – limits the growth of consolidated GR to the estimated compounded growth of state population and monetary inflation. Exempted from this calculation are appropriations for the purposes of property tax relief or to pay costs associated with disaster recovery; **can be exceeded by 3/5 vote**. New statutory limit on appropriations that will apply beginning in 2024-2025 budget – SB 1336, 87 (R)



# Additional Challenges Ahead

- Health Care Transparency
  - Federal and State Price Posting Laws
- Health Care Coverage
  - Texas remains highest uninsured rate in the nation
  - PHE increased Medicaid Rolls, Redetermination Coming
  - Insurance Slow Pay, No Pay, Networks Adequacy
  - 12-month postpartum coverage
- Behavioral Health Access
  - Increasing Attention and Need
- Workforce



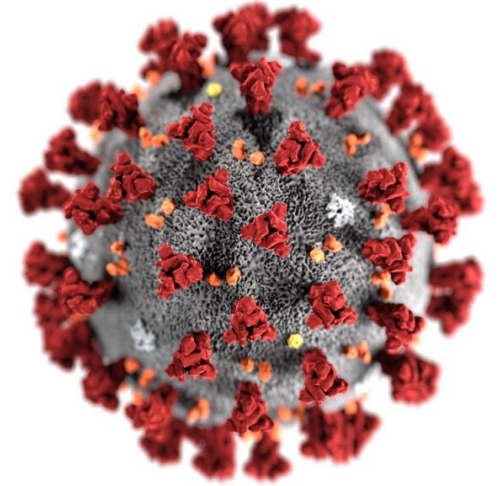
Hospitals are  
**integral** to Texas  
communities.





# Shaping 2023: The Fallout From COVID-19

- Hospitals were tested and strained like never before throughout the pandemic – testing, vaccinating and caring for millions of patients.
- Bed and ventilator capacity, stress and burnout, and workforce attrition hit hospitals hard, with many nurses and other health care professionals retiring or leaving the profession.
- Federal COVID relief funds were a major life raft for hospitals during the initial waves of COVID, keeping facilities afloat.
- But during later surges including Delta and Omicron, hospitals didn't receive federal financial assistance.
- Now, financial stability and an industrywide workforce shortage loom as profound problems for facilities everywhere.



# 87<sup>th</sup> Legislative Interim Hearings

## Committee Hearings:

- **Senate Finance** – THA testified on the benefits of the 1115 waiver, the need for coverage expansion, workforce costs, investments in mental health, particularly the need for the IMD exclusion
- **Senate Health and Human Services** – THA testified on workforce challenges
- **House Public Health** – THA testified on workforce challenges
- **House Insurance** – THA testified on No Surprises Act

## Special Committees:

- **House Select Committee on Health Care Reform** – THA testified on multiple topics, including access to care, delayed care due to COVID, and Medicaid enrollment outreach
- **House Select Committee on Youth Health & Safety**- THA testified on the need for a robust mental health workforce
- **House Investigative Committee on the Robb Elementary School Shooting**
- **Senate Committee Special Committee to Protect All Texans**



# Key Developments in Behavioral Health

Special Committees formed following the Uvalde massacre:

- House Select Committee on Youth Health & Safety- THA testified on the need for a robust mental health workforce in order to meet the growing demand for mental health care.
- House Investigative Committee on the Robb Elementary School Shooting
- Senate Committee Special Committee to Protect All Texans

Special Appropriations:

Budget writers transferred \$100.5 million to state agencies and programs to enhance school safety and mental health services:

- \$5.8 million to expand the Texas Child Health Access Through Telemedicine (TCHAT) statewide;
- \$4.7 million to HHSC to increase Multisystemic Therapy (MST) across the state;
- \$950,000 to HHSC to expand Coordinated Specialty Care (CSC) teams across the state; and
- \$5 million will be used by the Hill Country Mental Health & Developmental Disabilities Center to assist in evaluating mental health services in the Uvalde community and preparing a needs assessment for the legislature.



# Key Developments in Behavioral Health- continued

## THA Mental Health Advocacy:

- Key meetings with legislators and staff highlighting some of the following:
  - General overview of who psychiatric hospitals are and their role as the safety net provider for mental health
  - IMD Exclusion
  - Increasing the number and reimbursement rate of state contracted beds for both adults and children
  - The need for insurance coverage of Partial Hospitalization Services and Intensive Outpatient Therapy
  - Need for workforce investments – Mental Health Loan Repayment Program



# Texas Hospitals' 2023 Priorities

- **The state budget:** Maintain and increase key funding sources for Texas hospitals.
- **Workforce:** Replenish the dwindling supply of nurses and other health care professionals with funding support for training and to account for increased staffing costs.
- **Financial stability:** Support robust reimbursement levels, oppose pay cuts.
- **Health care coverage:** Support more Texans having comprehensive health insurance, extended Medicaid coverage for new mothers.
- **Behavioral health access:** Increase investments in adult and pediatric behavioral health care.

**Texas Hospital Association** | **Texas Hospitals' 2023 State Policy Priorities**

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.

Visit [www.tha.org/state](http://www.tha.org/state) for additional information | 1108 Lavaca, Austin TX, 78701-2180

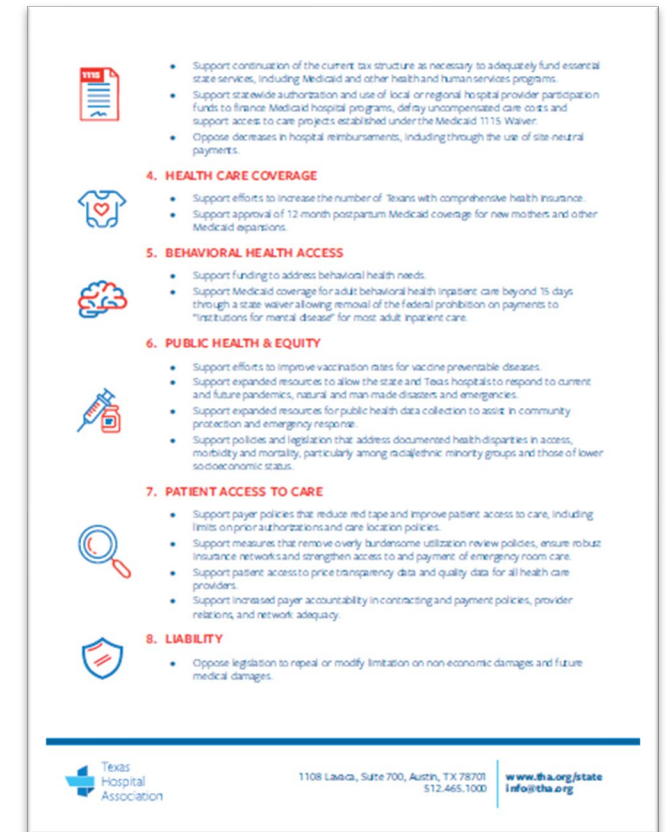
Account # 101 • Your comment on 12/06/2022: Internal routing for consideration. Republishing date: 12/06/2022. This content was made by Linda Hamilton, Texas Hospital Association. © 2022 Texas Hospital Association. All rights reserved.





# Texas Hospitals' 2023 Priorities (cont.)

- **Public health & equity:** Support improving vaccination rates, improved pandemic/disaster response, and addressing health disparities.
- **Access to care:** Reducing burdens imposed by payers, supporting better payer accountability.
- **Liability:** Protect key limitations in existing law.



The infographic lists eight priorities for Texas hospitals in 2023, each with a corresponding icon and a list of specific goals or actions.

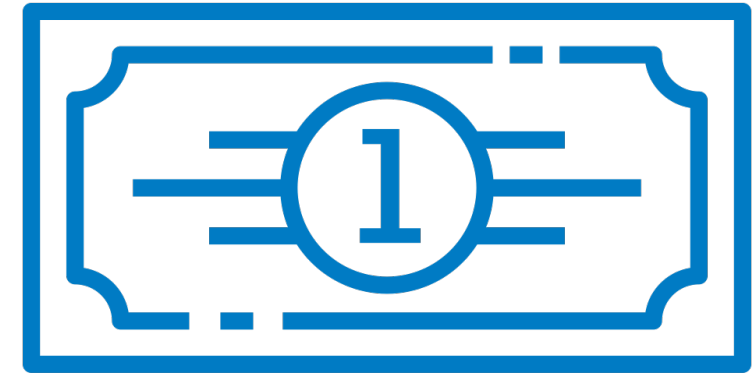
- 1. TAXATION**
  - Support continuation of the current tax structure as necessary to adequately fund essential state services, including Medicaid and other health and human services programs.
  - Support statewide authorization and use of local or regional hospital provider participation funds to finance 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.
- 2. 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.
- 3. 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.
- 4. 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.
- 5. 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.
- 6. LIABILITY**
  - Oppose legislation to repeal or modify limitation on non-economic damages and future medical damages.

Texas Hospital Association  
1108 Lavaca, Suite 700, Austin, TX 78701 | 512-465-1000  
www.tha.org/state | info@tha.org



# 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.



# Workforce

- Increase 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.
- Continued health care workplace safety, retention and workplace violence reduction strategies to maintain a strong workforce.
- Funding to address increased staffing costs caused by COVID-19.

Texas Hospital Association | A Workforce in Peril: Shortages Threaten Patient Care

Two years of COVID-19 pandemic care have strained hospital resources and capacity like never before. These extraordinary challenges have acutely impacted the people who provide care inside the walls of hospitals. Burnout and fatigue have plagued the frontlines, and many health care workers have left the field altogether. While health care workforce shortages existed long before COVID-19, staffing costs and other pandemic-related challenges have led to an unsustainable situation that threatens hospitals' ability to care for patients.

Texas hospitals report nursing vacancies in non-COVID-19 units are about double pre-pandemic levels.

**Fewer Staff, Less Care**  
Hospitals are able to provide high-quality patient care because of their skilled and sufficient health care workforce. The existing significant shortage of hospital care providers has forced hospitals to compete for contract labor. These skyrocketing labor costs have profoundly impacted hospital finances, pushing many providers toward a financial cliff. As the challenges to find, procure and maintain staff continue, the impacts on hospitals' ability to provide care will continue.

**Pervasive workforce shortages on Texas' health care system could:**

- Reduce essential service lines, like labor and delivery, surgery, oncology and psychiatric units;
- Force rural and smaller hospitals unable to afford increasing labor costs to close; and
- Limit the guaranteed next-level specialized care for patients.

**26,000**  
Over the course of the pandemic, THA allocated for much-needed state staffing to help hospitals combat COVID-19 surges. The State of Texas provided more than 26,000 staffed positions to health care facilities over the duration of the pandemic.



# Financial Stability of Hospitals

- THA supports:
  - Hospital reimbursement payments closer to the actual cost of services.
  - Stability and maintenance of supplemental Medicaid payments to help cover billions in unreimbursed costs, and ongoing preservation of the Medicaid 1115 Waiver.
  - Continuation of the current tax structure as necessary to adequately fund essential state services, including Medicaid and other health and human service programs.
  - 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.
- THA opposes cuts in hospital reimbursements, including cuts realized through the use of site-neutral payments.



# Health Care Coverage

## THA supports:

- Efforts to increase the number of Texans with comprehensive health insurance.
- Extending postpartum Medicaid coverage for new mothers to 12 months, as well as other Medicaid expansions.





# Behavioral Health Access

## THA supports:

- Medicaid coverage for adult behavioral health inpatient care beyond 15 days. This can be achieved by obtaining a waiver for Texas that would lift the federal prohibition on payments to “institutions for mental disease” (IMD) for most adult inpatient care.
- Insurance coverage for Partial Hospitalization Services and Intensive Outpatient Therapy.
- Increasing the rate and number of state contracted beds.
- Obtaining an electronic means of requesting an Emergency Detention Order.



# Public Health and Equity

## THA supports:

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



# Patient Access to Care

## THA supports:

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



# Liability

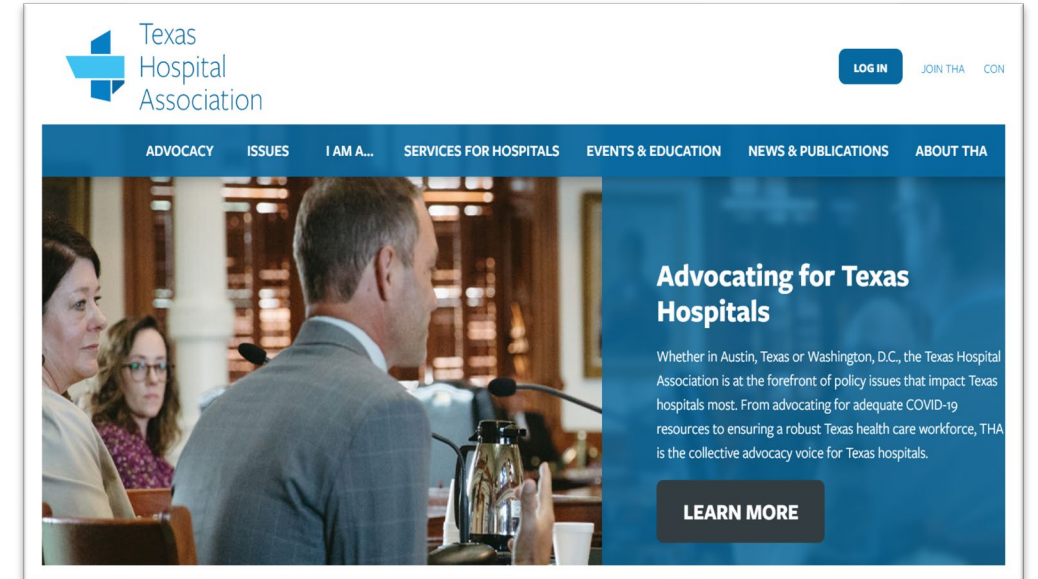
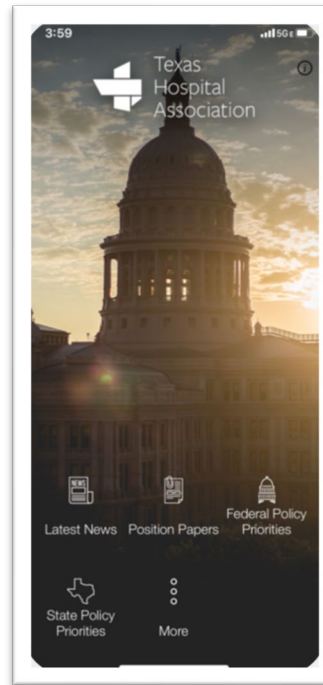
**Oppose** any legislation to repeal or modify existing limitations on:

- Non-economic damages.
- Damages for future medical expenses.



# Stay Connected with THA

- THA Website [www.tha.org](http://www.tha.org)
- Facebook @TexasHospitals
- Instagram @TexasHospitals
- Twitter @TexasHospitals
- LinkedIn





# THANK YOU.

