



THA Budget Priorities for the 88th Legislature



To ensure that every Texan has access to **life-saving health care services**, it's critical that hospitals are strong, well-funded and prepared to meet the growing health care needs of the population. For the 88th legislative session, THA is seeking funding to **alleviate severe workforce shortages, address critical behavioral health needs and broaden coverage for patient services.**

As lawmakers work to finalize the state budget for fiscal year 2024-2025, the Texas hospital industry is calling for important funding and support in the following areas.

Article II – Health and Human Services

ACUTE CARE



- **Hospital inpatient and outpatient Medicaid funding:** Maintain hospital inpatient and outpatient funding, including Medicaid add-ons for trauma, safety net and rural hospitals. Due to inflation, an additional biennial appropriation of \$31 million in general revenue is needed to maintain rural hospital reimbursement at cost. *(Level funding maintained in SB/HB 1)*

- **Rural hospital OB payments:** Maintain \$500 add-on for rural labor and delivery. *(OB add-on payments maintained in SB/HB 1)*

- **Postpartum Medicaid:** Support legislation and funding approval of 12-month postpartum Medicaid coverage for new mothers.

- **Trauma Funding:** Maintain consistent funding for the state's trauma care network - this includes ensuring the funding sources provide this amount, and if not, are backfilled with general revenue per maintained state budget rider. *(Funded at \$194.8 million in SB/HB 1, rider to backfill trauma add-on payments with general revenue also included)*



BEHAVIORAL HEALTH



- Direct and fund HHSC to pursue the **Institution for Mental Disease (IMD) exclusion to expand inpatient adult Medicaid coverage beyond 15 days.** An 1115 waiver allows states to request an expansion of inpatient adult coverage to 30 days.

- **Medicaid coverage** for intensive outpatient therapy and partial hospitalization services, amount based on requested HHSC estimate.

- **Rate Increase in Behavioral Health Medicaid** requires ~\$2 million per each percent increase in the rate.

- **Increase funding for adult and child state contract beds.** *(\$126 million per year to maintain existing capacity and for 234 additional state-purchased inpatient psychiatric beds, including 85 beds in rural communities and 149 beds in urban communities included in SB/HB 1)*

- One-time funding of approximately \$50 million for **EMR technology for behavioral health hospitals** that were not included in past federal incentive funds.



Article III – Higher and Public Education



- **THECB Nursing Shortage Reduction Fund** - The Legislature should appropriate \$65.5 million for the biennium, at minimum, for the NSRP. (*The NSRF was funded at \$46.8 million in SB/HB 1, up from \$19 million in the current biennium*)



- **THECB Nursing Faculty Loan Repayment Program** - The Legislature should appropriate \$6.5 million for the biennium, at minimum, for the NFLRP. (*The NFLRP was funded at \$7 million, up from \$4.1 million in the current biennium*)

- **THECB Mental Health Loan Repayment Program** – The Legislature should appropriate \$14 million to increase the MHLRP loan repayment program for mental health professionals including psychiatrists, psychologists, mental health advanced practice nurses, counselors and social workers. (*The MHLRP was funded at \$28 million, up from \$2 million in the current biennium*)

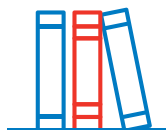


- **THECB State GME Expansion Grant Program** – The Legislature should appropriate an additional \$34 million for the biennium to maintain the state’s target ratio of 1.1-to-1 GME slots to medical students, for a total of \$233 million for 2024-25. (*\$233.1 million for GME was funded in SB/HB 1, an increase that meets the 1.1 to 1 ratio*)

- Create a fund at the THECB to **support and expand clinical site training** through payment enhancements for clinical nursing preceptors teaching students in hospitals settings. \$82 million for the biennium would fund all nursing students.

Article VII – Texas Workforce Commission

- **Support increased funding for TWC health care workforce programs** that grow the professional and allied health workforce.



- \$63.2 million requested in **TWC Legislative Request for Skills Development Fund grants** for upskilling of business workforces. (*\$37.8 million funded in SB/HB 1*)

- \$40.6 million requested in **TWC Legislative Request for Apprenticeship Programs**. (*\$33 million funded in SB/HB 1*)



- (*Note: \$30.7 million for Jobs Education for Texas program to **develop career and technical education courses or programs** that lead to a license, certificate, or post-secondary degree in a high-demand occupation funded in SB/HB 1*)

