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)