

Legislative Update

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Presentation Overview

- 2019 Legislative Session Highlights
 - State Budget
 - New Source of Trauma Funding
 - Maternal Health
 - Medicaid
 - Public Health
 - Other
- Interim activities going into the 87th



86th Texas Legislative Session

January 8 – May 27, 2019 (140 days)

- **7,851 bills filed**
 - 1,429 passed (18%)
 - 58 vetoed
- **THA tracked 1,538**
 - 276 passed (18%)



“Big Three” Priorities for the 86th

- ✓ Property Tax Reform
- ✓ School Finance Reform
- ✓ Hurricane Harvey Relief
- ✓ School Safety
- ✓ Teacher Pension Fix



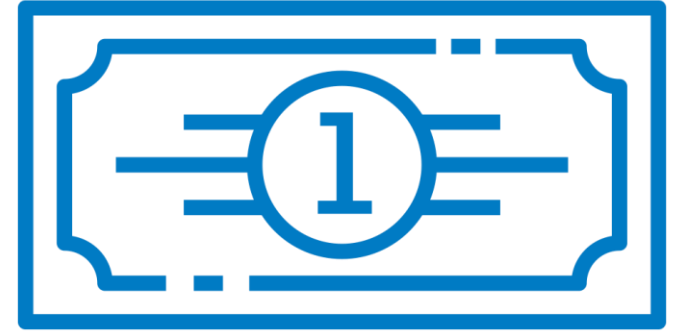
2020-2021 State Budget

- HB 1 – “must pass” bill
 - Led by Sen. Jane Nelson and Rep. John Zerwas, M.D.
- 86th Legislature had ~ \$10 billion (16%) more to spend than last biennium
 - Thanks to revised and raised oil and gas revenue, positive economic forecast and a more favorable match rate for Medicaid (feds will pay higher percentage).
- HB 1 is a \$250.7 billion all funds two-year budget
 - \$15 billion (+6.3%) increase from 2018-2019
 - Spends \$84.4 billion in all funds on health and human services (1% increase) and \$66.5 billion in Medicaid
- Increases to public schools (\$6.5B) and funds to buy down property taxes (\$5.1B).
- \$6.1 Billion used from Rainy Day Fund
 - For Hurricane Harvey relief, leftover Medicaid expenses, future disaster preparedness, state hospital construction, school district safety upgrades.



2020-2021 State Budget - Hospital Funding

- Maintains funding for hospital Medicaid rate enhancements:
 - \$180 million all funds annually for trauma hospitals.
 - \$150 million all funds annually for safety net hospitals.
 - \$30 million all funds annually for rural hospitals.
- New state funding for hospital rate enhancements:
 - \$45 million all funds annually for rural hospitals' inpatient services.
 - \$6.2 million general revenue for rural hospitals' labor and delivery services.
 - \$50 million general revenue for children's hospitals.
- \$15 million in new grant funding to support infrastructure improvements at trauma hospitals.



New Source of Trauma Funding

HB 2048 by Rep. Zerwas/Sen. Huffman repeals Driver Responsibility Program

- Replaces the source of revenue for state's trauma fund (Account 5111), which provides Medicaid add-on funds to offset trauma hospitals' \$320 million in unreimbursed trauma care costs.
- Revenue comes from:
 - increasing the existing state traffic fine from current \$30 to \$50.
 - increasing the administrative fee on issuers of motor vehicle insurance from the current \$2 to \$4.
 - increasing fines on individuals convicted of driving while intoxicated; fines would range from \$3,000 to \$6,000, depending on the circumstances.



2020-2021 State Budget

Behavioral Health Funding

- \$3.3 billion all funds in non-Medicaid CHIP behavioral health funding
- \$445.4 million for phase II of the state psychiatric hospital redesign planning and construction (Rusk, Austin and San Antonio state hospitals)
- \$25 million to increase access to community mental health services
- \$26 million for 50 new purchased inpatient beds at non-state psychiatric hospitals
- \$5 million increase for substance use disorder treatment services
- \$6 million to integrate the state's Prescription Monitoring Program with hospitals' electronic medical records

Workforce Funding at Texas Higher Education Coordinating Board

- Maintains \$19.9 million in funding for Professional Nursing Shortage Reduction Program
- Increased funding for graduate medical education expansion program by \$60 million



2020-2021 State Budget - DSRIP Cost Effectiveness

- Rider 38 directs HHSC to report DSRIP information for DYs 7 and 8
 - Measure bundles selected and associated performance
 - Core activities
 - Core activities associated with successful performance and with positive returns on investments
 - Summary of final costs and savings reports
 - Amount of DSRIP funds earned by each type of performing provider
- Report due to Governor, Legislative Budget Board, and relevant House and Senate Committees by December 1, 2020.



2020-2021 State Budget - Maternal Health

\$7 million in state general revenue appropriated for maternal safety initiatives

- \$1.33 million state general revenue annually and 6 FTEs to implement maternal safety initiatives (Texas AIM) statewide
- \$1.17 million state general revenue annually and 2 FTEs to develop and establish a high-risk maternal care coordination services pilot
- \$1 million state general revenue annually to increase public awareness and prevention activities related to maternal mortality and morbidity

Rider 77 - Directs HHSC to determine the feasibility of implementing a process in which unused long-acting reversible contraceptive devices prescribed for clients enrolled in Medicaid or HTW can be transferred to another eligible client.



Maternal Health

Healthy Texas Women Program Enhancements – SB 750 by Senator Kolkhorst

- HHSC to evaluate postpartum care services currently provided in HTW and then develop an enhanced, cost-effective, and limited postpartum care benefits package in HTW - *\$14.7 million appropriated for this purpose*
- HHSC to develop and implement postpartum depression treatment network for women in Medicaid and HTW.
- HHSC to develop strategies to improve continuity of care for women transitioning from Medicaid to HTW
- If 1115 HTW waiver approved, HHSC to assess impact, feasibility, and cost-effectiveness of administering HTW through managed care



Maternal Health

Healthy Texas Women Program Continuity of Care – SB 2132 by Senator Powell

- Directs HHSC to add information to the letter notifying women they have been automatically enrolled into Healthy Texas Women program:
 - information about the program (services available)
 - list of providers in the same geographic area as client.
- Directs HHSC to consult with the Maternal Mortality and Morbidity Task Force on best time to provide notice and how to provide notice



Maternal Health

PPD Strategic Plan - HB 253 by Rep Farrar

- Directs HHSC to develop and implement a five-year strategic plan to improve access to postpartum depression screening, referral, treatment and support services.

Pregnancy Medical Homes - SB 748 by Senator Kolkhorst

- Establishes two pilot programs
 - High risk maternal care coordination services pilot in one or more geographic area
 - Pregnancy medical homes pilot in at least two counties with populations >2 million, one county with a population between 100k and 500k, and at least one rural county
- Requires study of delivering prenatal and postpartum care through telehealth
- Creates the Newborn Screening Preservation Account



Maternal Health

NICU & Maternal Levels of Care Designations - SB 749 by Senator Kolkhorst

- Allows additional avenues for appeals
- Creates a waiver process
- Allows for the increased use of telemedicine to meet the standards
- DSHS required to conduct a strategic review of the practical implementation of the neonatal and maternal designation process
- Delays Medicaid requirement for maternal levels of care from 2020 to 2021



Medicaid Managed Care

HB 4533 by Rep Klick

- Requires HHSC to establish consistent definitions of grievance processes, standardization of data collection and reporting
- Requires publication of data related to healthcare outcomes
- Requires accreditation of managed care organizations
- Requires HHSC to study of the 30 day inpatient limitation for Medicaid recipients in STAR+PLUS
- Requires HHSC to seek a waiver for certain high-cost Medicaid populations and to report on the feasibility of providing STAR Kids program benefits under an accountable care organization model
- Requires transition from state provider number to only National Provider Identifier



Medicaid Managed Care

Prior Authorization Timelines & Process Reqs in SB 1207, HB 3041, and SB 1096

- MCOs must allow a physician to discuss prior authorization request with same or similar specialty in advance of determination (SB 1207)
- HHSC must establish prior authorization timeframes for MCOs (SB 1207)
- MCOs must have an annual review process of prior authorization requirements (SB 1207)
- MCOs must renew expiring prior authorizations more timely and allow members more time to request renewal (HB 3041)
- MCO websites must include timeline for PA requests and have a process being contacted about and submitting PAs (HB 3041)
- Medicaid MCOs must review and issue determinations on prior authorization requests for hospitalized members within 72 hours of the request, or one hour if related to post-stabilization care or a life-threatening condition (SB 1096)



Medicaid Managed Care

Appeals & Fair Hearings – SB 1207 by Sen Perry

- HHSC and MCOs must issue notices to providers and members with clear and detailed information regarding a denial, reduction, or termination of coverage or denial of a prior authorization; providers and recipients must receive a detailed notice when there is insufficient documentation for a prior authorization (SB 1207)
- HHSC must contract with an independent external medical reviewer (SB 1207)



Medicaid Transportation Program

Transportation Pilot Program for Women and Children - HB 25 by Rep Mary Gonzalez

- Pilot program to ensure mothers and their children are able to travel together to prenatal and postpartum appointments. Pilot to be implemented by September 1, 2020 in at least one managed care service delivery area.

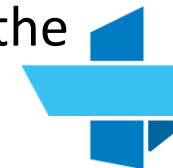
Transportation Network Companies for Medicaid Transportation - HB 1576 by Rep Phelan

- Requires HHSC to carve non-emergency medical transportation services into managed care statewide by September 1, 2020
- Requires use of ride-sharing companies
 - Limited to reasonably healthy individuals who are ambulatory and lucid
 - Pilot in 3-4 service delivery areas by January 1, 2020



Public Health

- **SB 21 by Senator Huffman** raises the legal age for purchasing cigarettes, e-cigarettes, or tobacco products to 21
- **SB 384 by Senator Nelson** aligns state and federal reporting requirements for health care-associated infections
- **Senate Bill 999 by Senator Campbell** requires DSHS to develop and implement a state plan on education and treatment of Alzheimer's disease
- **House Bill 1225 by Rep Guillen** re-creates the Chronic Kidney Disease Task Force to coordinate implementation of the state's plan for prevention, screening, diagnosis, and management
- **House Bill 1848 by Rep Klick** requires long-term care facilities to maintain an infection control prevention and control program
- **House Bill 3405 by Rep Johnson** requires HHSC to establish a task force to raise awareness of sickle cell disease
- **House Bill 4260 by Rep Cortez** allows certain facilities the ability to adopt a policy regarding the maintenance, administration, and disposal of epinephrine auto-injectors



Rural Hospital Sustainability

Cost Based Reimbursement - SB 170 by Senator Perry

- Requires HHSC to develop a cost-based, prospective reimbursement methodology for rural hospitals that is updated every two years to reflect hospitals' most recent cost data.

Strategic Plan, Advisory Committee & Limited License - SB 1621 by Senator Kolkhorst

- Requires HHSC to develop and implement a rural hospital strategic plan by Jan 1, 2020 to ensure residents of rural areas have access to hospital services.
- Requires HHSC to establish the Rural Hospital Advisory Committee
- Establishes a limited services rural hospital license contingent on the federal government creating a payment program for such hospitals



Human Trafficking Training

HB 2059 by Rep Blanco

- Requires all direct care health workers to take an HHSC-approved human trafficking prevention training course by September 1, 2010 as a condition of licensure or license renewal.



A Notable Defeat

Texas Hospital Association



Looking Ahead

KUT 90.5

Austin's NPR Station

News Features Life & Arts Podcasts Support About Music

Texas Is The Only State With A Double-Digit Rate of Uninsured Children

By ASHLEY LOPEZ, KUT • OCT 30, 2019

THE TEXAS TRIBUNE

TEN YEARS DATA EVENTS NEWSLETTERS DONATE LOG IN SIGN UP

Texas has the most people without health insurance in the nation – again

For the second year in a row, the number of Texans without health insurance increased, and fewer people enrolled in Medicaid.

BY STACY FERNÁNDEZ SEPT. 10, 2019 4 PM

THE COVINGTON NEWS

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Kemp announces Georgia Pathways Health Waiver

Texas Hospital Association

BECKER'S

HOSPITAL REVIEW 10 major cities with the highest, lowest uninsured rates

Ayla Ellison (Twitter) - 17 hours ago Print | Email

Here are the 10 large cities with the highest uninsured rates based on the analysis:

1. Dallas
2. Houston
3. El Paso, Texas
4. Miami
5. Fort Worth, Texas
6. Arlington, Texas
7. Corpus Christi, Texas
8. San Antonio
9. Tulsa, Okla.
10. Oklahoma City



THA's Suggested Interim Charges

- Opportunities to increase the number of Texans with health care coverage
- The state's plan to transition the Delivery System Reform Incentive Payment program under the Medicaid 1115 Waiver
 - Evaluate plan to ensure stability of health care safety net
 - Impact of federal changes related to 1115 budget neutrality policies
- Oversight of Medicaid managed care organizations
 - 30 day spell of illness limit's impact on uncompensated care and overall cost of care
 - Care coordination
 - Quality programs
- Implementation of the state's new surprise billing law



Senate Interim Charges Released Oct 30

- Sustainability of the state health and human services finance system
 - Local Provider Participation Funds.
 - The Delivery System Reform Incentive Payment program.
 - Medicaid 1115 waivers and Section 1332 State Innovation waivers.
 - Pay-for-Quality programs.
 - The Quality Incentive Payment Program.
 - Other state and local funding used to finance health care systems in Texas.



More Senate Interim Charges

- Cost of health care in Texas and health care cost containment at state agencies
- Health care market flexibility and options to decrease the uninsured rate, including 1115 and 1332 waivers
- Maternal mortality and infant health
- Impact and cost of heart disease and stroke
- E-cigarette use and vaping, especially among minors
- Drug pricing transparency
- Improving care in rural areas



Senate Health and Human Services Committee Hearing on December 3rd

- Examine the current status and future direction of the following programs: The Texas Healthcare Transformation and Quality Improvement Program Section 1115 Demonstration Waiver, **including the DSRIP Transition Plan**, and the Healthy Texas Women Section 1115 Demonstration Waiver.
- Examine the emerging public health concerns from the rise in e-cigarette use and "vaping," especially among minors. Determine if additional policies or laws are needed to protect the public's health.
- Monitor the implementation of Senate Bill 21, including strategies to address tobacco and nicotine use, including e-cigarettes and vaping, by adolescents.

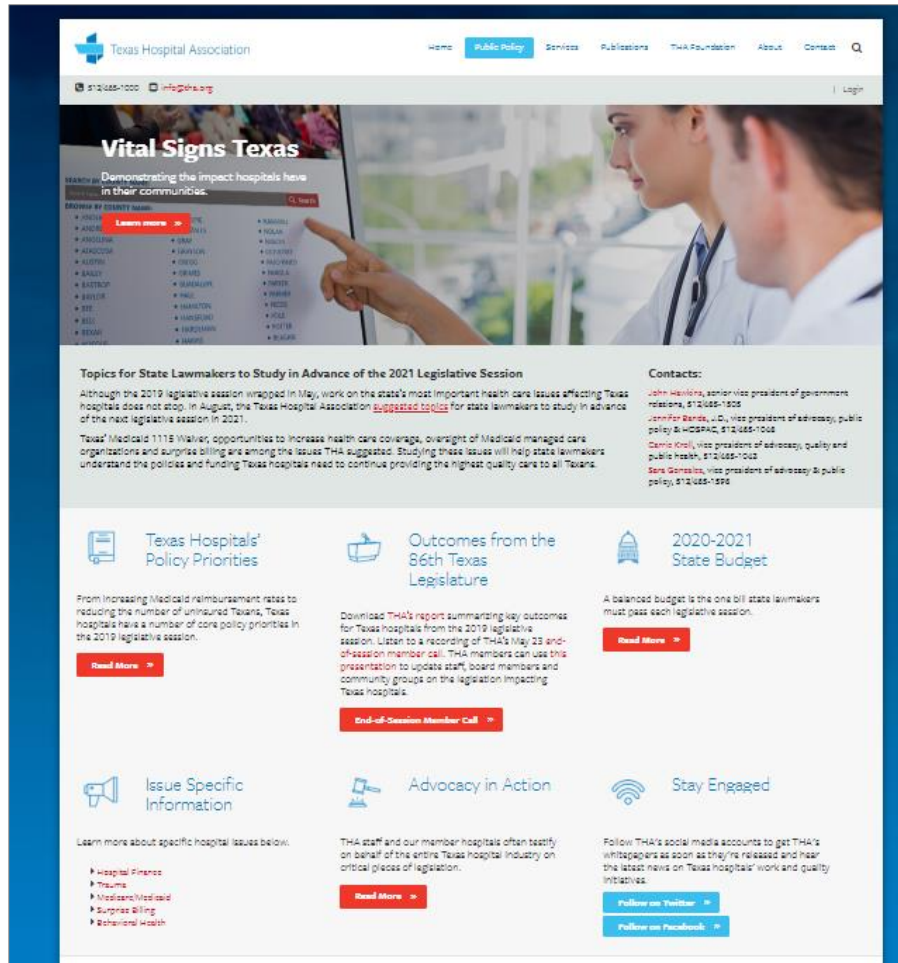


House Human Services Committee Hearing Today

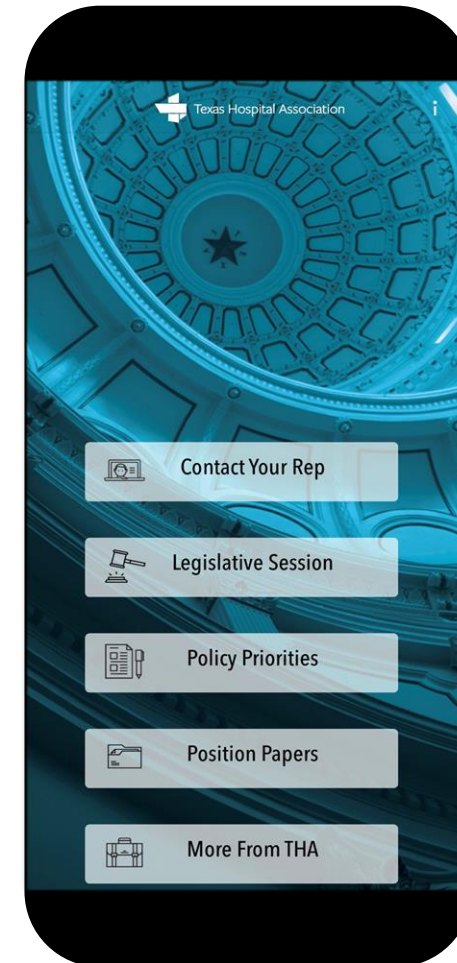
The Committee will receive an update regarding the latest changes to funding within programs under the Texas Healthcare Transformation and Quality Improvement Program-Section 1115 Demonstration Waiver.



THA Resources for Legislative Information



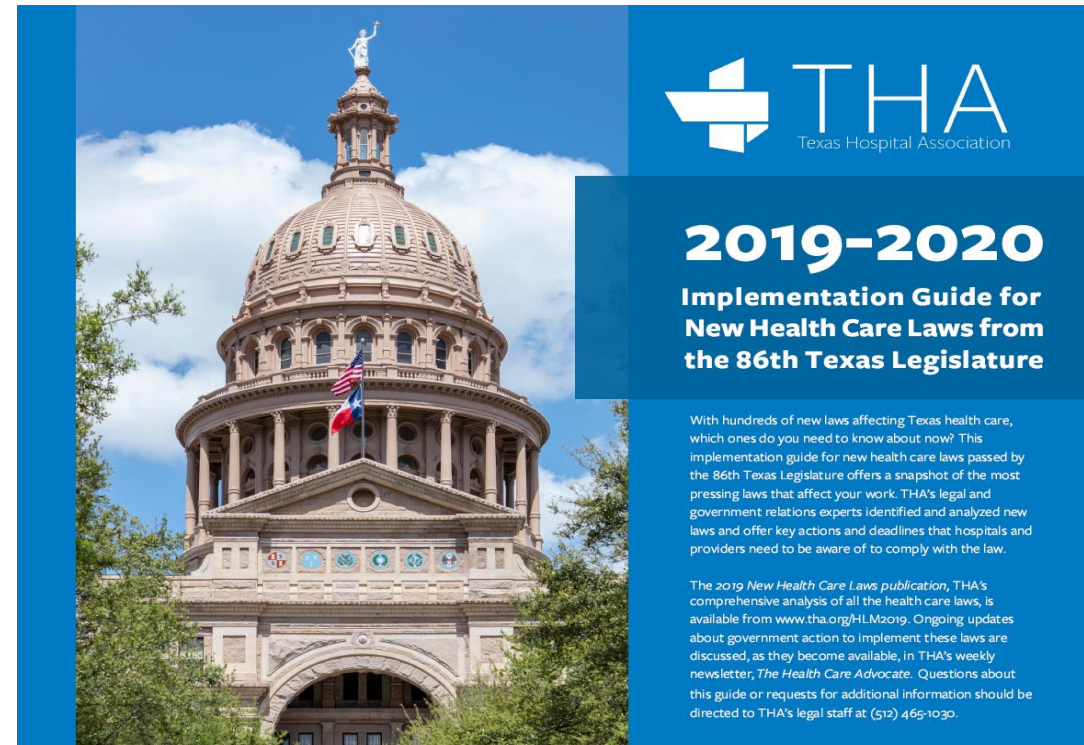
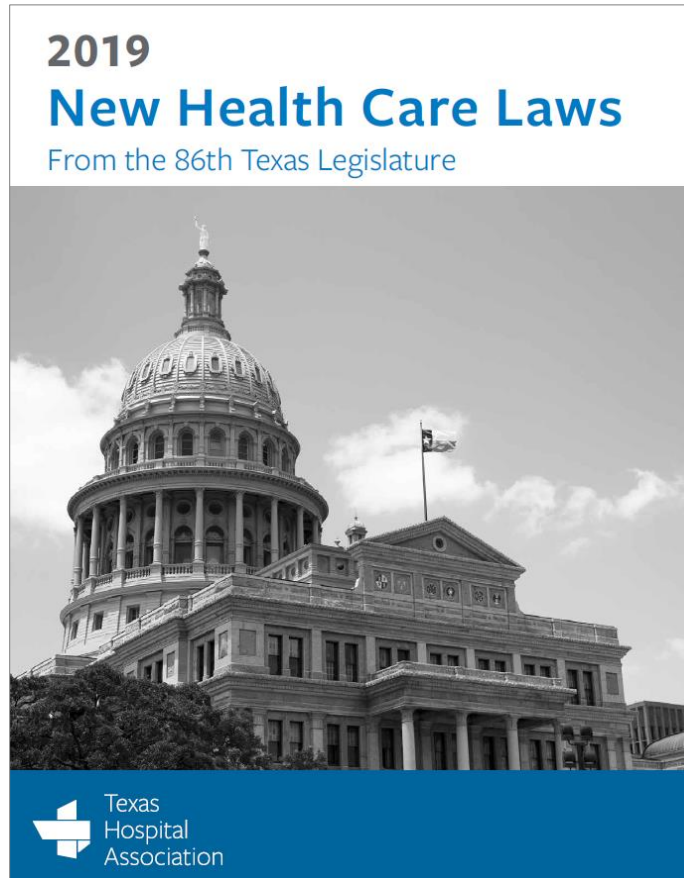
www.tha.org/2019legislativesession



THA's Legislative Session App



THA Resources on New Health Care Laws



www.tha.org/HLM2019





Thank you

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