

Ensure State & Local Health Capacity

Maintain Federal HealthCare Investments – Not Block Grants
Keep Local Medicaid Match Separate from Medicaid Client Funding
Authorize State & Local Flexibility

Member Communication

THOT MEMBERS

AUSTIN
Central Health
Ascension Texas Ministry
Seton

CORPUS CHRISTI
CHRISTUS Spohn Health
System
Nueces County Hospital
District

DALLAS
Children's Health System of
Texas
Parkland Health & Hospital
System
The University of Texas
Southwestern Medical
Center

EL PASO
University Medical Center
of El Paso

FORT WORTH
JPS Health Network

GALVESTON
The University of Texas
Medical Branch

HOUSTON
Harris Health System
The University of Texas MD
Anderson Cancer Center

LUBBOCK
UMC Health System of
Lubbock

MIDLAND
Midland Memorial Hospital

ODESSA
Medical Center Health
System

SAN ANTONIO
University Health System

TYLER
UT Health Northeast

GME Affiliate
RIO GRANDE VALLEY
- EDINBURG

Federal Medicaid Block Grants / Per Capita Caps Will Cut Texas' Federal Medicaid Health Care Funding:

- Losses of \$800 Billion nationally over 10 years have been estimated.
- Fundamentally alters Medicaid's financial partnership, shifting costs & financial risks to states.
- Fails to provide the state flexibility needed to manage imposed, lowered cost trends.

Medicaid Today: Defined benefit – those who qualify get medically necessary services.
Block Grant/Per Capita: Defined Contribution – Limited federal funding limits services to what's affordable – not what's medically necessary.

Health Care Needs and Costs Continue to Grow Pressuring Local Health Systems & Funding:

- Population growth; aging of baby boomers; neonatal improvements; pharmacy costs; & medical technology changes result in increased needs & cost growth.
- Medicaid's unfunded needs will revert to states and then to local communities.
- Increased demand and less funding puts local health systems & essential services at risk: care for indigent Texans; specialty, lifesaving and trauma care for all; health infrastructure services like disaster readiness & response, healthcare workforce & training, public health research & response; funding for clinical research and breakthroughs.
- Without adequate funding, there will be more uncompensated care, unmanaged indigent care, more Emergency Department use and higher cost trends. This approach will exacerbate – not help to reverse – high healthcare cost trends.

A shrinking watering hole: By cutting federal funding the proposal will create a political "survival of the fittest" at state levels with competition between children, the elderly, and pregnant women for fewer Medicaid funds in which everyone loses.

Protect, Distinguish & Trend Supplemental Funding to Ensure Its Viability.

- **Keep Supplemental & Waiver Funds separate from Block Grant and Per Capita funding.**
- Supplemental payments funded with local property taxes (IGT) support 26% of all Texas Medicaid hospital funding – but are not used for client services.
- Local IGT can only be used consistent with local fiduciary control.
- Continued use of local funds requires: separation and trending of IGT financed supplemental funds in any block grant or per capita cap; continued local authority over local funding contributions; and dedication of supplemental funding for locally authorized uses including innovation & uncompensated care.



