

TEACHING
HOSPITALS
of TEXAS



88th Texas Legislature Outcomes for Texas' Teaching Hospitals July 2023

Letter From the President and CEO

The 88th Texas Legislature began as the three-year anniversary of the global COVID-19 pandemic loomed. The session ended just as the federal public health emergency declaration expired. Bookended by these two significant dates, the legislative session mirrored the impact COVID-19 had on our health care institutions, our health care workforce, and our communities. The pandemic cast a long shadow on the Texas Capitol, and lawmakers' health care priorities and proposals – both positive and negative – reflected their understanding of how hospitals weathered the pandemic.

From proposals to invest in and support the health care workforce and to safeguard the trauma system to those to eliminate hospitals' payments for providing outpatient services and require greater transparency, lawmakers looked for ways both to remedy challenges wrought by the pandemic and to undo what some perceive as hospitals' unfair financial advantage.

Teaching Hospitals of Texas entered the session with a laser focus on five core areas:

- Growing and supporting the health care workforce.
- Preserving Medicaid and trauma funding.
- Enhancing access to care.
- Strengthening behavioral health services and access.
- Protecting health care systems' ability to meet community needs.

With robust member engagement, we achieved important successes in each of these areas. We supported passage of needed bills and educated about the potential challenges we saw in others. Some of the bills not passed likely will reemerge in future sessions, and we must remain engaged with lawmakers and their staff, educating them about how hospitals operate, needs and challenges, and the essential impact you have on individual lives and communities. We are fortunate that because of our members' work and missions, we have a great story to share and with which to ground our advocacy.

Teaching Hospitals of Texas is proud to represent the largest teaching hospitals and health systems in the state and to advocate for policies that support your groundbreaking, lifesaving, and compassionate work to care for all Texans.



Maureen Milligan, Ph.D.
President and CEO
Teaching Hospitals of Texas

The final state budget for 2023–2025 includes no cuts to Medicaid funding or hospital payments. It preserves state general revenue to ensure stability for the Medicaid program, which covers 5.5 million Texans, 77 percent of whom are children under 21. In total, Medicaid funding for the biennium will be almost \$81 billion.

Budget highlights:

- Maintains Texas' trauma funding and safety net add-on payments at the last biennium's level: \$660 million.
- Funds \$9.4 billion in all funds (House Bill 1) and \$2.2 billion in all funds (Senate Bill 30) for mental health services and behavioral health.
- Increases funding by \$162 million for the Child Mental HealthCare Consortium, including for the Child Psychiatry Access Network, Texas Child Access Through Telemedicine, workforce expansion, fellowships, and coordinated research.
- Increases funding for the Loan Repayment Program for Mental Health Professionals from \$2 million to \$28 million.
- Increases funding for physician education loans by \$6 million and funding for physician Graduate Medical Education by \$34 million.
- New funding of \$5 million for forensic psychiatry fellowships.
- New funding of \$3 million for a rural resident physician program.
- Increases funding for nursing faculty loans by \$4 million and provides new funding for nursing scholarships of \$25 million.
- Increases funding for the Nursing Shortage Reduction Fund from \$19 million to \$47 million.
- New funding of \$6 million for grants to support innovations in nursing education and training.

Health Care Workforce

Lawmakers were highly responsive to the need for more nurses, physicians, and all clinical professionals to meet the needs of a growing and aging population, particularly post-pandemic as many left the profession.

As discussed in the section on the state budget, lawmakers appropriated new funding and increased existing funding amounts to grow the number of nurses, physicians, and mental health professionals across the state through scholarships, loan repayment, and GME funding.

Of high priority for THOT was Senate Bill 25, by Sen. Lois Kolkhorst (R-Brenham), which incorporated provisions from earlier nurse workforce bills (SB 2059 and HB 3930) to augment clinical training capacity at hospitals and other care sites for nurses. SB 25 was signed by Governor Abbott and is effective immediately. It includes THOT's proposal for nursing education clinical site grants, including for clinical site nurse preceptors, nursing innovation and coordination to increase the nurse workforce and improve retention, pilot programs for graduate readiness, and clinicians and faculty taking on part-time roles. THOT will continue to educate and seek funding to support clinical investments in the nurse workforce.



Access to Care

Texas remains the state with the highest number and proportion of residents without health insurance. This session, legislators passed a significant bill to extend coverage for postpartum women with Medicaid coverage. House Bill 12 extends the Medicaid coverage period from two months postpartum to 12 months for women with incomes up to 200 percent of the poverty level. With this year-long coverage, Texas joins the 34 other states, including Florida, Georgia, Oklahoma, and Alabama, that have recognized the link between coverage and reduced maternal mortality and healthy infant development and have implemented 12-month coverage. HB 12 was signed by the Governor and is effective immediately.

Lawmakers also passed other legislation to increase access to care beyond coverage expansions. House Bill 916, by Rep. Claudia Ordaz (D-El Paso), permits women with Medicaid and certain other insurance to obtain a 12-month supply of contraception at one time. The bill does not change coverage requirements for Medicaid managed care or other health plans but authorizes pharmacies to dispense a 12-month supply to eliminate potentially burdensome travel and cost barriers for maintaining continuous contraceptive use when only a three-month supply is allowed. HB 916 was signed by the Governor and is effective September 1, 2023.

Innovative hospital-at-home programs that flourished during the public health emergency received a boost from the Legislature with passage of HB 1890, by Rep. Jacey Jetton (R-Katy). Federal law extends authorization for hospital-at-home programs, currently implemented by two THOT members and in process with a third, through Dec. 31, 2024, but state legislation was also needed to allow the programs to continue in Texas. The bill was effective with the Governor's signature on May 27.

Lawmakers' protection of access to high-quality care was evident in several other bills that did not pass.

- Senators failed to hear HB 2401 and in doing so protected Medicaid enrollees' access to community, provider-based health maintenance organizations in Medicaid managed care and access to local physicians and community-informed approaches to care for low-income populations.
- HB 1692 to eliminate payments for hospital outpatient services did not move out of committee after the bill's primary sponsor heard THOT's concerns about the impact of the proposal on reducing access to outpatient preventive, primary, and specialty care that keep patients healthier and out of the inpatient hospital.
- A slate of bills (HB 1489, SB 976, SB 977, and HB 3002) that did not pass would have limited hospital districts' ability to issue essential certificates of obligation to finance critical infrastructure projects to maintain trauma and emergency response as well as deliver community-based primary and specialty care. A similar bill (HB 4082) passed but excluded hospital districts from the scope.

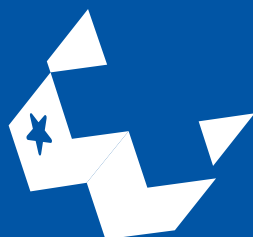
Protecting Health Care Systems' Ability to Meet Community Needs



As large employers and providers of care and other services to millions of Texans, our member hospitals have a unique perspective on the health care system. Communicating that perspective with elected officials and state agency personnel is vital so the voices of physicians, nurses, and patients are heard in any discussion on health care priorities.

Senate Bill 175 would have prevented hospital districts from engaging in education and advocacy and from joining in association with other hospitals, putting them at a disadvantage with other non-public hospitals and skewing the conversation about health care priorities and funding. After passing the Senate, SB 175 was left pending with the House Committee on State Affairs.

SB 2332 failed to receive a hearing after the bill author heard THOT's concerns about maintaining hospital districts' ability to provide indigent care services and coordination in their communities.



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About THOT

THOT is the principal voice and advocate for health systems that teach the next generation of health professionals and who are united in their commitment to support policies and funding that will ensure health care access to all Texans.

THOT's member-shared commitments include:

- Supporting access to care for all in our communities, with a special focus on vulnerable populations.
- Providing and coordinating essential community health services, such as trauma and disaster management.
- Preparing for the future by training tomorrow's health care providers and supporting health research and health care transformation.