

STATE LEGISLATIVE UPDATE



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TORCH

Government Relations

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TEXAS LEGISLATIVE SNAPSHOT

- Session started on January 8 and ends May 27.
- House bills filed – 4711.
- Senate bills filed – 2529.
- 7668 total filings including bills, resolutions, other.
- TORCH tracking more than 200 bills that could impact or may interest rural hospitals.
- Some “local” bills can still be filed.



BUDGET STATUS

- House has approved budget of \$252 B for next two years.
- Senate Finance (pending full Senate vote) has approved budget of \$248 B for next two years.
- Compares to original FY 18-19 budget of \$217 B which was increased to \$224 B.



MEDICAID UNDERPAYMENT

- SB 170 by Senator Perry and HB 2035 by Rep Price.
- Would place into state law that rural hospital payments are to be raised closer to cost with continuation for two years of the hospital specific SDA prospective payment system but base rate increased.
- A cost settlement would be added for FY 22-23.
- In state law is stronger than a budget provision.
- “Subject to appropriations” language added in committee.

MEDICAID UNDERPAYMENT

- SB 170 voted out of Senate HHS.
- HB 2035 awaiting hearing in House Human Services.
- House version of the budget added \$142 M for higher rural hospital payments over the next two years.
- Senate version did not add anything but intel is that \$120-130 M may be added later for next two years.
- Good news is more money appears on the way.
- Bad news is HHSC recently increased the estimated annual underpayment figure from \$65 M to \$170 M.

MEDICAID UNDERPAYMENT

- Senate version of the budget also adds a provision that rural hospitals are to be paid an extra \$500 per Medicaid baby delivery above the regular payment.

PROPERTY TAX CAPS

- HB 2 pending a vote in the full House tomorrow.
 - Leaves hospital districts (and some other special districts) under current law, but rollback election is automatic if rollback exceeded.
 - Adds debt from COs to rollback calculation – only voter approved bonds can be removed from rollback.
- SB 2 pending a vote in the full Senate.
 - Entities collecting \$15 M or less stay under current law.
 - Voters must approve upfront an entity staying under current law.

PROPERTY TAX CAPS

- Even if both bills pass as is, the merging process of the two in conference committee could lead to a totally different bill!!!
- Senate dynamics still raising the discussion that tax cap issue could die.
- 19 of 31 votes needed to advance bills to floor for discussion.
- 19 Rs – 12 Ds.
- Two Rs are former mayors, Ds generally against tax caps.

LOCAL PROVIDER PARTICIPATION FEE

- HHSC and Governor's staff are convinced that CMS will soon pull the plug on Texas system of burden alleviation in 1115 waiver and the only way for private hospitals in Texas to continue to participate in supplemental funding is through LPPFs.
- Legislature moving forward with bills – statewide and local.

LOCAL PROVIDER PARTICIPATION FEE

- Two statewide (local option) LPPF bills
 - HB 4289/SB 2256 - can create through any city, county, HD.
 - HB 651/SB 2257 – can create through county if no HD or public hospital in the county.

LOCAL PROVIDER PARTICIPATION FEE

- Local LPPF bills this session (with time for more):
 - Bexar County HD
 - El Paso County HD
 - Ellis County
 - Harris County HD
 - Lubbock County HD
 - Nueces County HD
 - Taylor County
 - Travis County
 - Wichita County (less Electra HD)
 - Dallas County HD – renewal
 - Tarrant County HD – renewal
 - Smith County – renew and modify

LOCAL PROVIDER PARTICIPATION FEE

■ Existing LPPFs:

- Amarillo HD
- Angelina County
- Beaumont
- Bell County
- Bowie County
- Brazos County
- Cameron County
- Cherokee County
- Dallas County HD
- Grayson County
- Gregg County
- Hays County
- Hidalgo County
- McLennan County
- Potter County
- Smith County

LOCAL PROVIDER PARTICIPATION FEE

- Existing LPPFs:
 - Tarrant County HD
 - Tom Green County
 - Webb County
 - Williamson County

LOCAL PROVIDER PARTICIPATION FEE

- TORCH repeatedly voicing concern over “money shift” from rural public hospitals no longer facilitating IGT for private hospitals through burden alleviation.
- Concerns have been noted but no plans surfacing to offset loss to those hospitals.
- Will continue to express concern and search for a solution.

QIPP LOOK ALIKE

- SB 1050/HB 3342 create a private nursing home quality improvement program.
- Allows private nursing homes to participate without involvement of public hospitals.
- Concern expressed by TORCH of “money shift” for rural public hospitals currently facilitating private nursing homes.
- No movement....yet.
- Perception of a tax and where the money comes from poses some barrier to bill movement.

AMBULANCE SUPPLEMENTAL PROGRAM

- HB 2409 and SB 2134 proposed a new 1115 waiver supplemental payment program for ambulance services.

PHYSICIAN EMPLOYMENT BILLS

- Hunt County HD
- Lubbock County HD
- Parker County HD

TELEMEDICINE

- HB 871 (Price) – allows Level IV trauma hospital in a county of 30,000 and less to use telemedicine to fulfill requirement of physician response in 30 minutes (approved in House comm).
- HB 870 (Price) – SB 670 (Buckingham) clarified that Medicaid managed care companies must pay for services provided via telemedicine. (HB 870 approved in House comm/SB 670 pending hearing).
- HB 3345 (Price) – reconfirms that insurance plans must treat telemedicine consults the same as face-to-face.

MATERNAL/NEONATAL

- SB 749 (Kolkhorst) and HB 3269 (Price)
 - Allows any Level 1 or II maternal designated hospital to fulfill obstetrical requirements with a family practice physician with OB experience.
 - Allows use of telemedicine to access any required OB coverage.
 - Sets up formal appeal process for hospitals believing they should have qualified for a higher level maternal/neonatal designation.

(SB 749 passed Senate and pending hearing in House comm/HB 3269 pending hearing in House comm).

TRAUMA FUNDING

- Numerous bills to abolish or revise the Driver Responsibility Program.
- Traction bills are SB 918 (Huffman) and H 2048 (Zerwas).
- Bills abolish the DRP and raise various fines and fees.
- Projected to provide trauma dollars equal to existing program.

BALANCE BILLING

- A number of “surprise” billing bills this session.
- Most focus on removing the patient from the issue making it one between providers and health plans.
- No clear picture yet with various changes to filed bills.

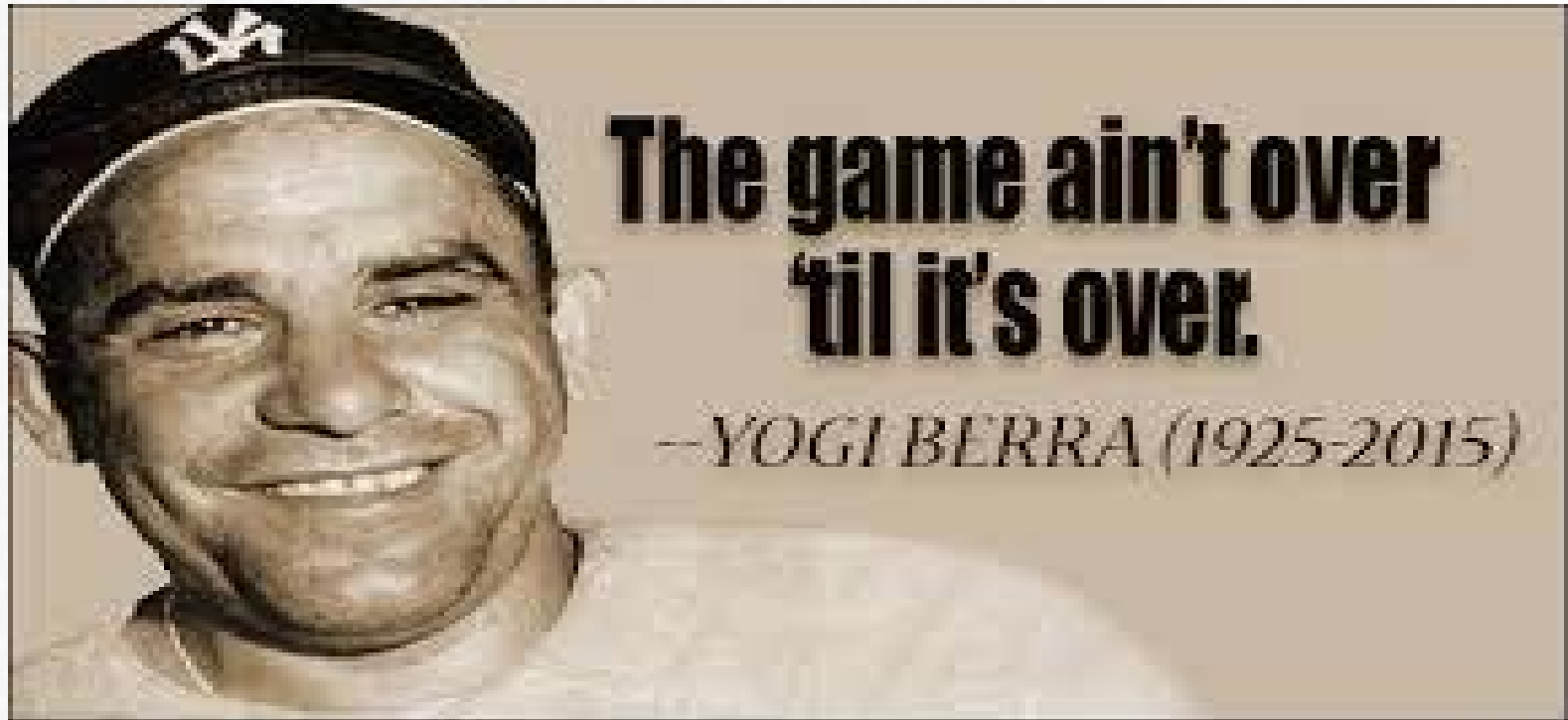
OTHER BILLS

- SB 199 (Schwertner)/SB1085 (Kolkhorst) – hospital penalty bill from previous sessions (pending hearing).
- SB 1621 (Kolkhorst) – directs DSHS to recognize any step-down rural hospital concept that may be created by Congress (approved by comm).
- SB 1622 (Kolkhorst)/HB 4077 (Price) – directs HHSC to develop a rural hospital strategic plan and create a rural hospital advisory comm. Directs DSHS to recognize step-down hospital (approved by Senate comm/pending comm hearing in House).

OTHER BILLS

- SB 1444 (Perry)/HB 3934 (Frank) – allows rural hospitals to negotiate with health plans through a cooperative.
- HB 531 (Miller) – requires hospitals and physicians to keep medical records from sexual assault victims for 15 years (pending full House vote/no Senate companion).
- HB 2261 (Wall)/SB 998 (Hinojosa) – raises physician loan repayment program from \$160,000 to \$180,000 across four years (HB 2261 passed House – pending Senate comm hearing).

SIX WEEKS IS A LONG TIME!



QUESTIONS??

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