

Texas hospitals face funding squeeze from all sides

By: Politico Pro

Voters in conservative Bosque County last year approved a new property tax to keep rural Goodall-Witcher Hospital open and provide a measure of relief for a cash-strapped institution grappling with more unpaid bills and the threat of less funding from the federal government.

Now Republican leaders in Austin are considering a legislative package that could limit such local rescue efforts by capping future property tax increases while largely punting on a replacement for a drying stream of federal funding that's kept facilities like Goodall-Witcher afloat for years.

The outcome has major implications in a state that already leads the nation in rural hospital closures and the rate of uninsured. Because Texas has opted out of expanding its Medicaid program under Obamacare, it can't tap into hundreds of millions of dollars in enhanced funding that the federal government has made available to serve expanded populations, including in some other red states.

The state Senate is considering a bill, TX SB2 (19R), that would require voters in each county and hospital district to approve tax increases above 2.5 percent. In the House, a key committee recently passed companion legislation, TX HB2 (19R), that would exempt hospital districts but still constrain counties' ability to raise revenue.