

2022 Texas Legislative Update

HFMA South Texas Fall Conference



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October 10, 2022



Advocacy 101 - QUIZ

- Are you registered to vote?
- Did you vote in the last primary/general election?
- Do you know personally or have you met:
 - Your state representative or state senator?
 - Your member of congress or U.S. senator?
 - The Governor, Lieutenant Governor or Speaker of the House?
 - Key staff?



Advocacy 101 – QUIZ (cont.)

Have you:

- Participated in an advocacy day at the Texas Capitol?
- Lobbied a member of elected office on a particular issue?
- Testified at a public hearing?
- Held or attended a fundraiser for a public official?
- Worked on a campaign?



Types of Relationships

Organic – “Luck of the Draw”

- College roommate
- Family friend

Homegrown – “Work, Work, Work”

- Volunteered for their campaign
- Made a financial contribution to their campaign

Artificial – “Rage Against the Machine”

- Participate in grassroots emails, phone banks
- Attended a rally



Legislative Session Dynamic

The average legislative office handles the following during the 140-day session:

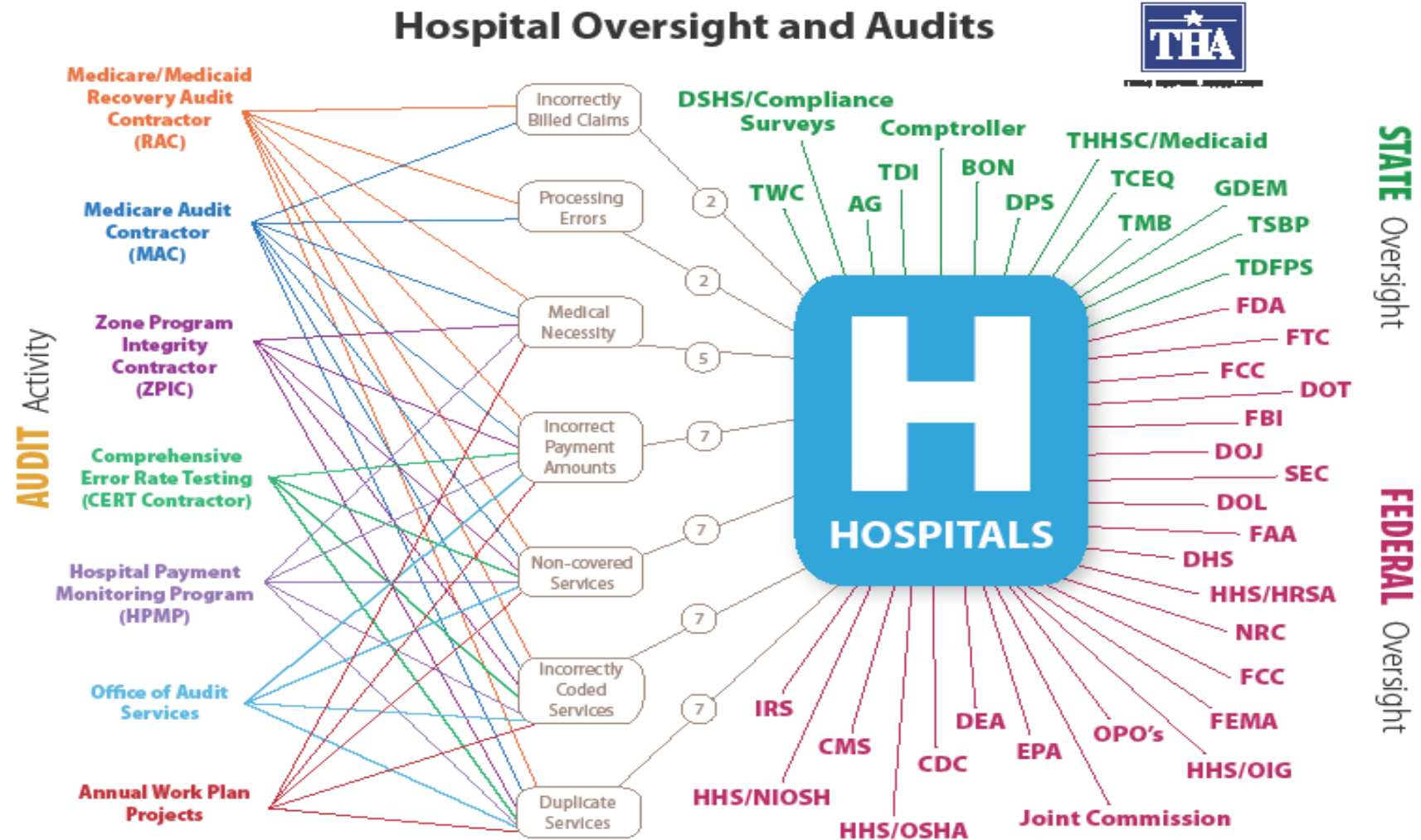
- 7,000 + bills
- 6,000 + telephone calls
- 5,000 + drop-in visitors
- 8,000 + letters
- 40,000 + emails
- 600 + invitations



Advocacy 101 Takeaways



Hospital Government Oversight



State Legislation Impacting Hospitals

- Hospital Licensure Requirements, Surveys, Inspections and Fees
- Physician, Nurse, Allied Health Provider Education, Training, Licensure
- COVID Visitations, Standards of Care
- Medical and Nursing Staffing and Peer Review
- Telemedicine Standards, Requirements
- Trauma and EMS Standards, Licensure, Requirements
- NICU Regulation, Certification
- Public Health – Vaccines, Car Seats, Texting While Driving, Cigarettes
- Insurance Network Adequacy
- Mental Health Care Delivery System, Insurance Coverage
- Life Cycle: Pregnant Women, Fetal Tissue, Placentas, End of Life, DNR Orders
- Compliance with Public Information Act
- Open Carry – Guns in Hospitals
- Licensed Freestanding Emergency Centers regulation and billing
- Medical Waste Disposal



The Texas Legislative Session

- Texas Constitution
- General Elections, Odd Years (Nov. 8, 2023)
- Biennial Regular Session for 140 Days
- Second Tuesday in January (Jan. 10, 2023)
- Sine Die!
- Special Sessions called by Governor
- Interim



2021 Texas Legislature

- Turbulent Times
 - COVID-19 Pandemic
 - Winter Storm Uri
 - Political Divides
 - Budget Concerns
- Grim COVID fiscal outlook in July 2020
- Fall 2020 Comptroller data showed Texas economy rebounded in 2020 thanks to vaccination and COVID response
 - Sales Tax



2021 Legislative Session

In this session lasting **140 days**:

- **+7,000 bills filed**
- **THA tracking +1,500**

- + Special Session #1 (Quorum Break)
- + Special Session #2 (Abortions, Bail, Critical Race Theory))
- + Special Session #3 (ARPA Relief Funding, Redistricting)



Legislative Outcomes

Must-pass legislation – biennial budget S.B. 1

Federal COVID Relief Funds to the Rescue (CARES Act & ARPA)!

- Enhanced COVID-19 federal match meant no cuts to Medicaid program funding
 - Hospital Payment Funds Maintained
 - New Rural Funding
 - Behavioral Health Funding Increased
- Postpartum Medicaid Coverage increased to 6 months from 60 days
- ARPA \$16B relief funds in Special Session #3 (SB 8)
 - Health care workforce staffing, rural grants, broadband, unemployment insurance fund replenished, Dallas State Hospital

No restrictions on Business Vaccine Requirements

COVID “Good Faith” Liability Reform Legislation Passed



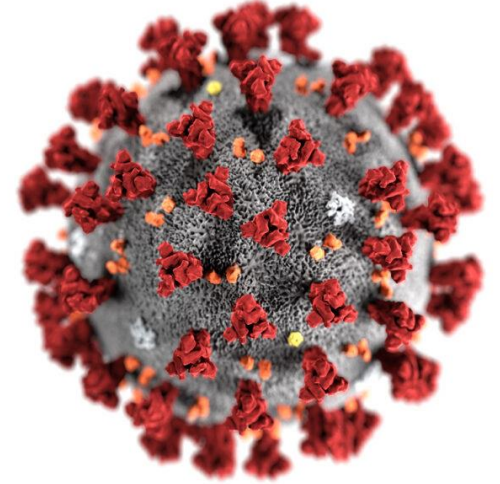
What's Next for the Texas Legislature?

- Preparation for 88th Legislative Session
- Comptroller estimating \$27B surplus
- Texas House and Senate Interim Hearings
 - 1115 Waiver Impact
 - Workforce Shortages
 - COVID Funds
 - COVID Care
 - House Select Committee on “excessive” Healthcare Costs
- Nov. 8 Elections
- Nov. 14 Bill Filing Begins for 88th Session



Shaping 2023: The Fallout From COVID-19

- Hospitals were tested and strained like never before throughout the pandemic – testing, vaccinating and caring for millions of patients.
- Bed and ventilator capacity, stress and burnout, and workforce attrition hit hospitals hard, with many nurses and other health care professional retiring or leaving the profession.
- Federal COVID relief funds were a major life raft for hospitals during the initial waves of COVID, keeping facilities afloat.
- But during later surges including Delta and Omicron, hospitals didn't receive federal financial assistance.
- Now, financial stability and an industrywide workforce shortage loom as profound problems for facilities everywhere.



Additional Challenges Ahead

- Health Care Transparency
 - Federal and State Price Posting Laws
- Health Care Coverage
 - Texas remains highest uninsured rate in the nation
 - PHE increased Medicaid Rolls, Redetermination Coming
 - Insurance Slow Pay, No Pay, Networks Adequacy
- Behavioral Health Access
 - Increasing Attention and Need
- Workforce

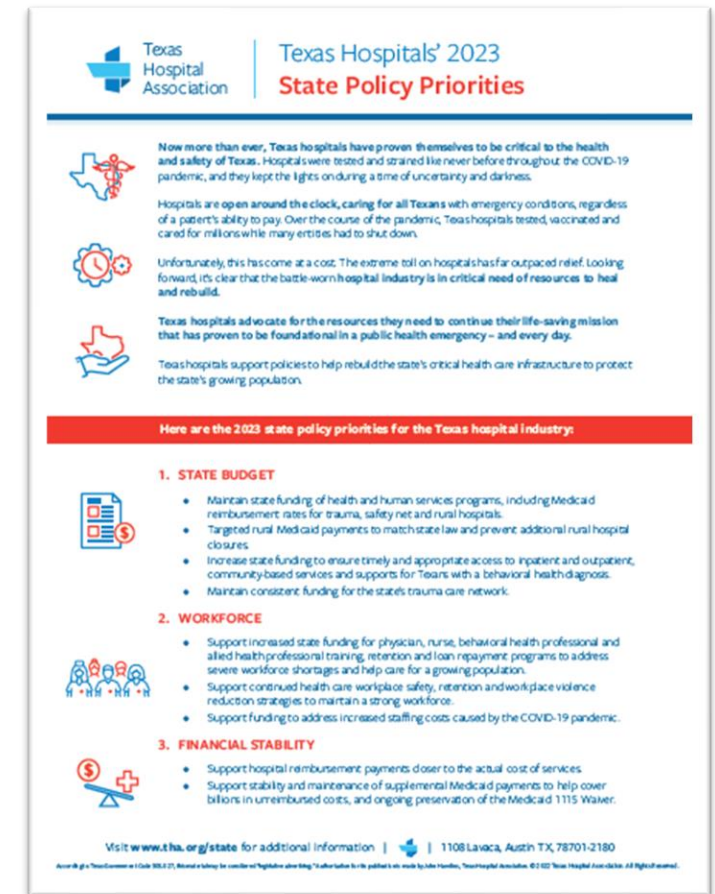


Hospitals are
integral to Texas
communities.

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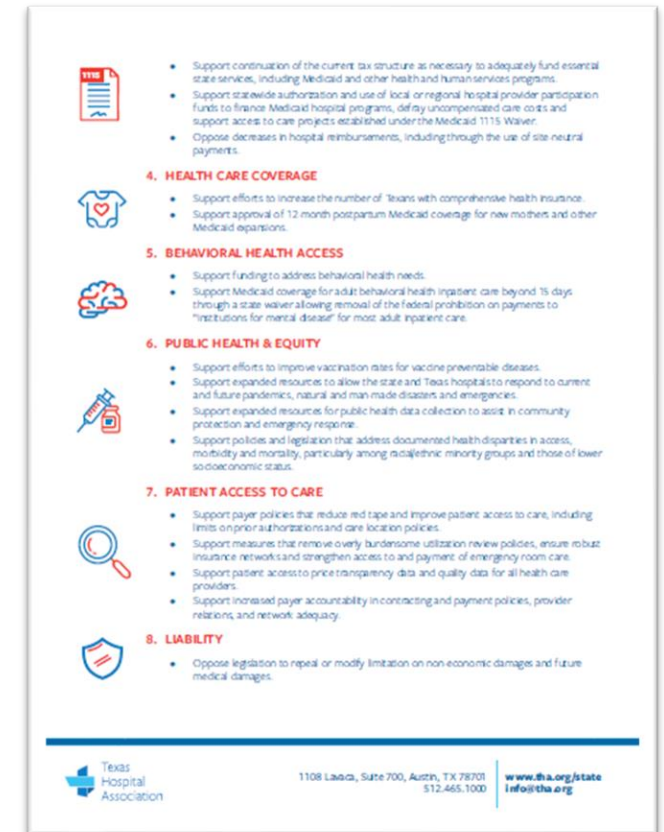
Texas Hospitals' 2023 Priorities

- **The state budget:** Maintain and increase key funding sources for Texas hospitals.
- **Workforce:** Replenish the dwindling supply of nurses and other health care professionals with funding support for training and to account for increased staffing costs.
- **Financial stability:** Support robust reimbursement levels, oppose pay cuts.
- **Health care coverage:** Support more Texans having comprehensive health insurance, extended Medicaid coverage for new mothers.
- **Behavioral health access:** Better Medicaid coverage for adult behavioral health inpatient care.



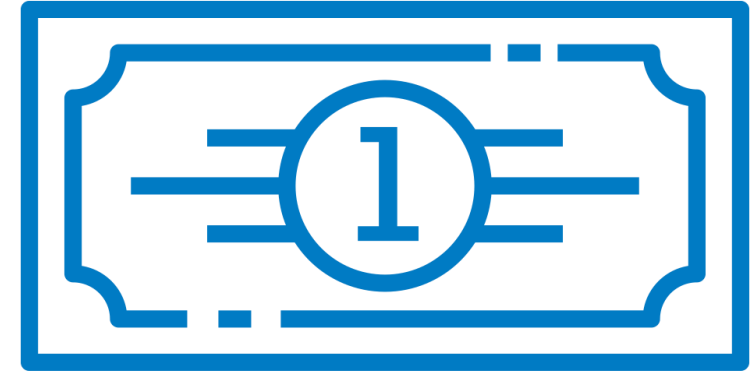
Texas Hospitals' 2023 Priorities (cont.)

- **Public health & equity:** Support improving vaccination rates, improved pandemic/disaster response, and addressing health disparities.
- **Access to care:** Reducing burdens imposed by payers, supporting better payer accountability.
- **Liability:** Protect key limitations in existing law.



State Budget

- Maintain state funding of health and human services programs, including Medicaid reimbursement rates for trauma, safety net and rural hospitals.
- Targeted rural Medicaid payments to match state law and prevent additional rural hospital closures.
- Increase state funding to ensure timely and appropriate access to inpatient and outpatient, community-based services and supports for Texans with a behavioral health diagnosis.
- Maintain consistent funding for the state's trauma care network.



Workforce

- Increase state funding for physician, nurse, behavioral health professional and allied health professional training, retention and loan repayment programs to address severe workforce shortages and help care for a growing population.
- Continued health care workplace safety, retention and workplace violence reduction strategies to maintain a strong workforce.
- Funding to address increased staffing costs caused by COVID-19.

Texas Hospital Association | **A Workforce in Peril: Shortages Threaten Patient Care**

Two years of COVID-19 pandemic care have strained hospital resources and capacity like never before. These extraordinary challenges have acutely impacted the people who provide care inside the walls of hospitals. Burnout and fatigue have plagued the frontlines, and many health care workers have left the field altogether. While health care workforce shortages existed long before COVID-19, staffing costs and other pandemic-related challenges have led to an **unsustainable situation that threatens hospitals' ability to care for patients.**

Texas hospitals report **nursing vacancies** in non-COVID-19 units are about **double** pre-pandemic levels.

Fewer Staff, Less Care
Hospitals are able to provide high-quality patient care because of their skilled and sufficient health care workforce. The existing significant shortage of hospital care providers has forced hospitals to compete for contract labor. These skyrocketing labor costs have profoundly impacted hospital finances, pushing many providers toward a financial cliff. As the challenges to find, procure and maintain staff continue, the impacts on hospitals' ability to provide care will continue.

Pervasive workforce shortages on Texas' health care system could:

- Reduce essential service lines, like labor and delivery, surgery, oncology and psychiatric units;
- Force rural and smaller hospitals unable to afford increasing labor costs to close; and
- Limit the guaranteed next-level specialized care for patients.

26,000
Over the course of the pandemic, THA advocated for much-needed state staffing to help hospitals combat COVID-19 surges. The state of Texas provided more than 26,000 staffed positions to health care facilities over the duration of the pandemic.



Financial Stability of Hospitals

- **THA supports:**

- Hospital reimbursement payments closer to the actual cost of services.
- Stability and maintenance of supplemental Medicaid payments to help cover billions in unreimbursed costs, and ongoing preservation of the Medicaid 1115 Waiver.
- Continuation of the current tax structure as necessary to adequately fund essential state services, including Medicaid and other health and human services programs.
- Statewide authorization and use of local or regional hospital provider participation funds to finance Medicaid hospital programs, defray uncompensated care costs and support access to care projects established under the Medicaid 1115 Waiver.



- **THA opposes** cuts in hospital reimbursements, including cuts realized through the use of site-neutral payments.



Health Care Coverage

THA supports:

- Efforts to increase the number of Texans with comprehensive health insurance.
- Extending postpartum Medicaid coverage for new mothers to 12 months, as well as other Medicaid expansions.



Behavioral Health Access

THA supports:

- Funding to address behavioral health needs.
- Medicaid coverage for adult behavioral health inpatient care beyond 15 days. This can be achieved by obtaining a waiver for Texas that would lift the federal prohibition on payments to “institutions for mental disease” (IMD) for most adult inpatient care.



Public Health and Equity

THA supports:

- Efforts to improve vaccination rates for vaccine preventable diseases.
- Expanded resources to allow the state and Texas hospitals to respond to current and future pandemics, natural and man-made disasters and emergencies.
- Expanded resources for public health data collection to assist in community protection and emergency response.
- Policies and legislation to address documented health disparities in access, morbidity and mortality, particularly among racial/ethnic minority groups and those of lower socioeconomic status.



Patient Access to Care

THA supports:

- Payer policies that reduce red tape and improve patient access to care, including limits on prior authorizations and care location policies.
- Measures to remove overly burdensome utilization review policies, ensure robust insurance networks and strengthen access to and payment of emergency room care.
- Patient access to price transparency and quality data for all health care providers.
- Increased payer accountability in contracting and payment policies, provider relations, and network adequacy.



Liability

Oppose any legislation to repeal or modify existing limitations on:

- Non-economic damages.
- Damages for future medical expenses.



The Constant Variable: Election Results

- Following redistricting, **all 181 seats** in the Texas Legislature (150 House, 31 Senate) will be contested in the November 2022 election.
- The makeup of the Legislature following the election always determines THA's success in advancing its priorities at the Capitol.
- Recent events that could cause shifts in voter enthusiasm/turnout (e.g. the SCOTUS decision in *Dobbs v. Jackson Women's Health Organization*) could make some races more competitive, and less predictable, than in past years.



Get Out the Vote Resources

- Digital toolkit available on the [THA website](#)
- Includes CEO sample email encouraging registration
- Sample social media messages
- GOTV poster

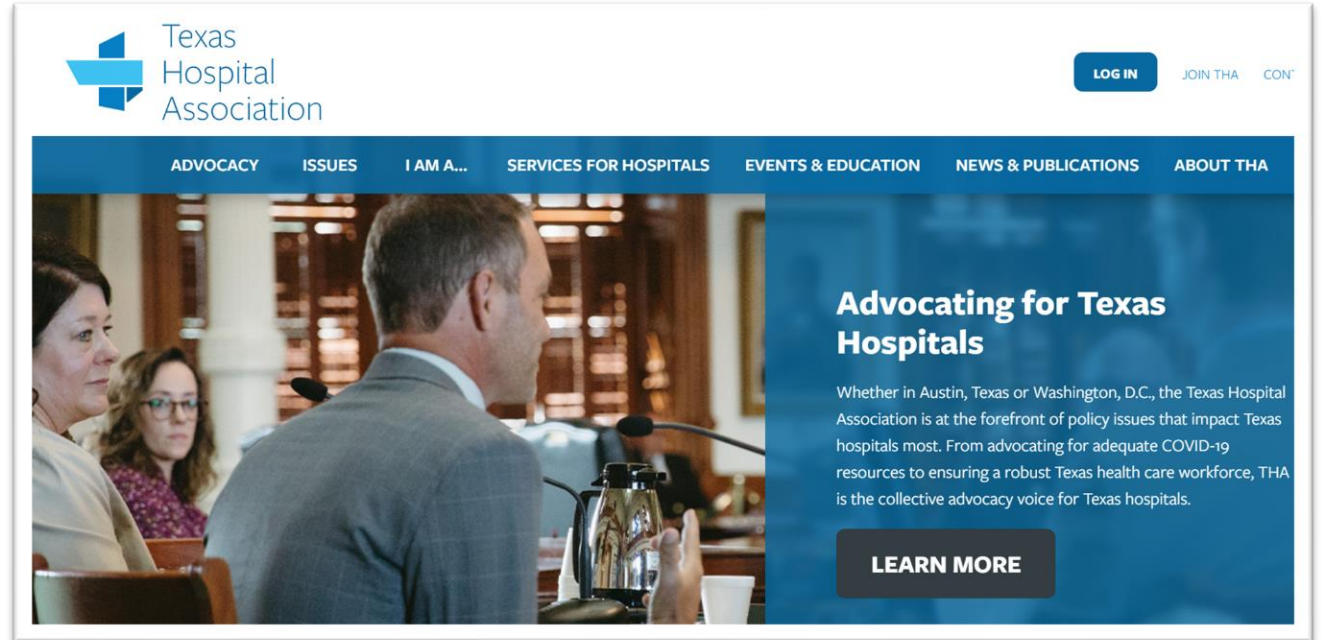
REMEMBER

**Election Day is Nov. 8 and
Early Voting is Oct. 24 - Nov. 4**



Stay Connected with THA

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Thank you!

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