

Texas Hospital Association and Public Health Advocacy



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Texas Legislature Overview

Texas Constitution determines:

- Biennial Regular Session for 140 Days
 - Special Session authority rests with Governor
- Second Tuesday of January of Odd Years
 - Bill filing begins Nov. 11
 - **89th Texas Legislature BEGINS Jan. 14**
 - Speaker race
 - Committee appointments
 - Bill filing through March 14
 - Sine Die (General) June 2!



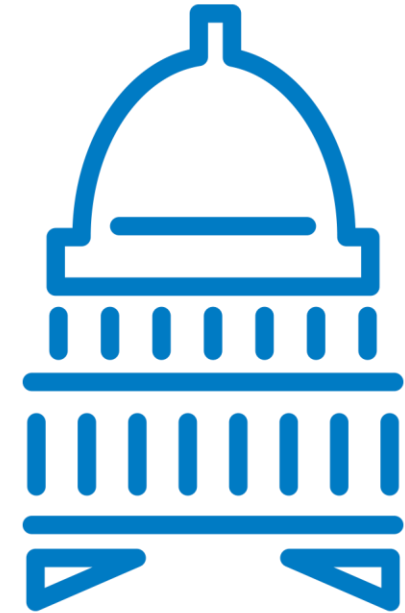
REWIND: 2023 Legislative Session (+4)

- Legislative Majorities are GOP in House and Senate.
- Record \$32.7B state surplus (oil/gas revenue, COVID relief, sales taxes)
- **Record number 8,520 bills filed this session**
 - THA tracked **1,644** in the regular session
 - 1,246 sent to Governor
 - Total Bills Vetoed: 76 bills
- Three Special Sessions
 - COVID Vaccine Mandates, Immigration, School Vouchers



88th Session Public Health Priorities

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



Workforce Wins – Top Priority in 2023

Pipeline: Increase funding to increase the health care workforce = critical Texas infrastructure.

- 64% of hospital have reduced services due to staff shortages
- 15,709 qualified applicants turned away from the state's nursing schools in 2021, per Texas Center for Nursing Workforce Studies
- Funding in HB 1:
 - Professional Nursing Shortage Reduction Program for Texas nursing school faculty supplements and clinicals = \$46.8M biennium (+\$27.9M).
 - Nursing Scholarships = new \$25M biennium (tied to SB 25).
 - Nurse Faculty Loan Repayment Program = \$7M biennium (+\$4M).
 - Behavioral Health Loan Repayment Program = \$28M (+\$26M).
 - Maintain GME funds for physicians at 1.1 to 1 ratio = \$233M (+\$34M)
 - Physician Education Loan Repayment Program = \$35.5M (+\$6M)
 - Family Practice Residency Program = \$16.5M (+\$7M)
 - Rural Residency Physician Program created with new \$3M

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:

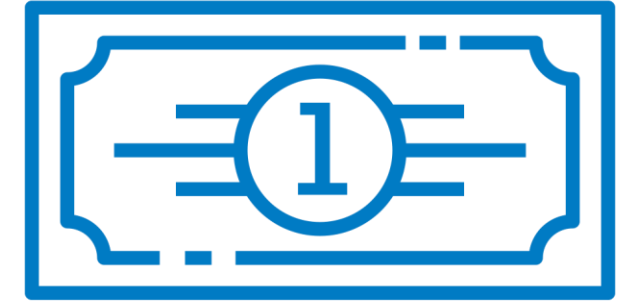
- Reduce essential service lines, like labor and delivery, surgery, oncology and psychiatric units;
- Force rural and smaller hospitals unable to afford increasing labor costs to close; and
- Limit the guaranteed next-level specialized care for patients.

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.



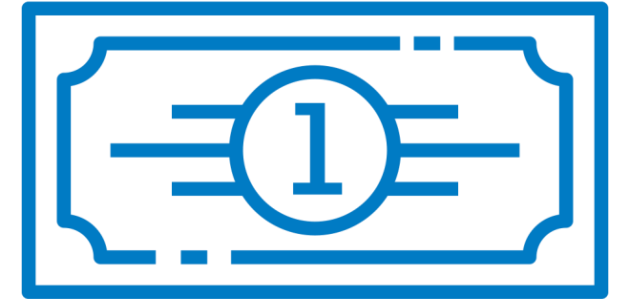
Hospital Funding in the 2023 State Budget

- **Increased state funding of Medicaid:**
 - All Medicaid funding \$12B increase over previous biennium
 - Trauma, safety net and rural (increased) hospitals add-ons
- **Inpatient Community Psychiatric Beds Increased**
 - \$100.1 million over biennium to contract for 170 competency restoration beds
 - \$206.3 million over biennium to maintain existing capacity and 193 additional state purchased beds (70 rural;123 urban)
 - \$13.7 million for beds in Uvalde
 - Prioritizes 20 beds for DFPS conservatorship.
 - **Total: \$306.4 million over biennium allocated to additional beds.**
- **\$2 Billion for construction and improvements at State Hospitals**

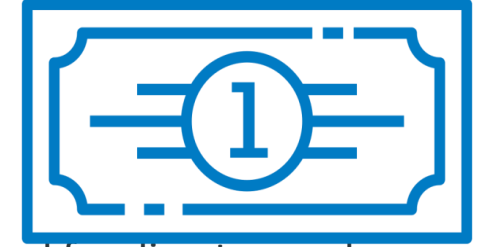


Hospital Funding in the State Budget cont.

- **Trauma Fund Maintained** at \$226M over biennium
 - + \$3.3M AF more for RACS
 - Rider 37 directs HHSC to report on uncompensated trauma care
- **Rural Hospital Funding Increases:**
 - Inflation adjustment increase of \$213M AF biennium
 - L&D add-on increased to \$1500 from \$500 (\$47M AF)
 - \$50M for rural financial stabilization grants
 - Definition of “Rural” updated post-census



Public Health Budget Outcomes



- **HIV/STD Prevention & Medication**

- DSHS Rider 36 adopted and amended to exclude funds and direct HHSC to use available federal funding to purchase new HIV long-acting treatment Cabenuva drug

- **Prohibition on DSHS funds for COVID-19 Activities**

- DSHS Rider 40 prohibits funds, to the extent allowable by federal law, for promoting or advertising COVID-19 vaccinations

- **EMS/Trauma/Regional Advisory Councils**

- DSHS Strategy B.2.1 EMS and Trauma funded at approximately \$226 million over biennium.
- Regional Advisory Councils receive \$6.6. million in funding

- **Texas Colorectal Cancer Managed Care**

- HHSC Rider 86 directs \$10 million over biennium for a pilot program for Texans with incomes at or below 200% FPL

- **Strategic National Stockpile for Health Emergency Preparedness**

- DSHS Rider 35 directs DSHS to apply for federal funds to maintain Strategic National Stockpile of medicine, equipment, etc. to respond to a disaster/emergency

- **World Health Organization Collaboration**

- Article IX Sec. 7.15: State agencies or institutions of higher education appropriated state funds in the budget are required to report to HHSC on activities in collaboration with, directed by, or financed by the World Health Organization

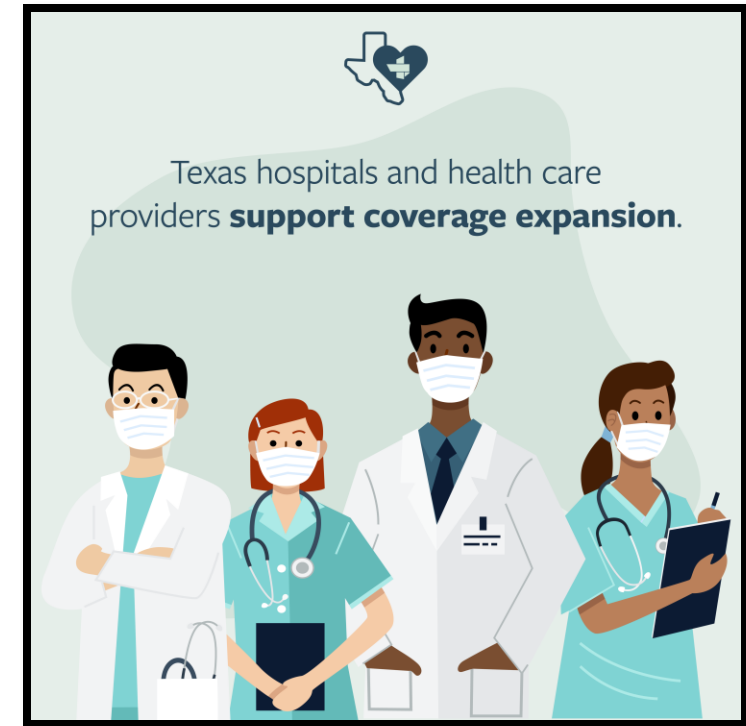
- **Covid-19 Reporting**

- COVID-19 Hospital and Nursing Home monthly reporting requirement to HHSC maintained in Rider 150.



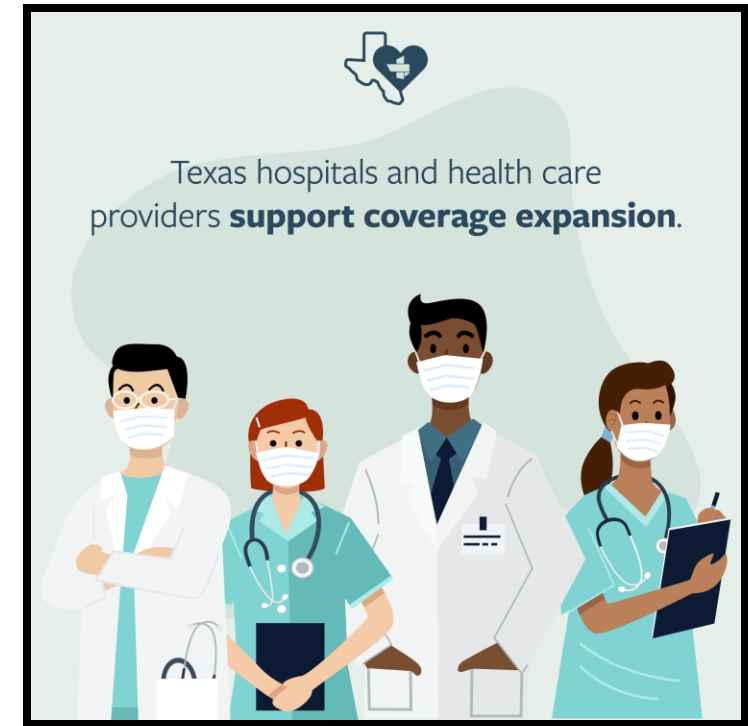
Increase Health Care Coverage

- Efforts to increase the number of Texans with comprehensive health insurance: *No Medicaid Expansion legislation moved.*
- Texas Colorectal Cancer Care - *\$10 million (GR) over biennium for a pilot program for Texans with incomes at or below 200% FPL.*
- Women's Health Mobile Units - *\$10 million GR to increase mobile units in underserved areas.*



Increase Health Care Coverage

- Extending postpartum Medicaid coverage for new mothers from 2 months to 12 months:
 - *HB 12 passed, and was implemented on March 1, 2024.*
 - *Eligible individuals: Medicaid or CHIP recipients who were enrolled in Medicaid or CHIP while pregnant or are no longer pregnant but are still within their 12-month postpartum period.*
 - *Does not apply to CHIP-P beneficiaries*
 - *The number of women positively impacted by this extension to currently be 137,000 statewide, and countless future moms will also benefit*



Public Health and Vaccines

COVID-19 pandemic - hospitals were required by CMS to have COVID-vaccinated or approved-exempted staff. Raised the ire of anti-vaccination proponents at the Capitol.

- In 2023, many bills filed to restrict or limit masking (even in a hospital) and vaccines, including public and higher education vaccine requirements.
 - In third special session, (Oct. 23) Legislation prohibits hospitals from requiring COVID-19 vaccination of their employees. Complaint and administrative penalty process established at the Texas Workforce Commission with reasonableness review conducted by Texas DSHS Infectious Disease Unit. *SB 7 effective 2/6.*
 - Legislation prohibits governmental entities from requiring masks for COVID-19 or COVID-19 vaccines (hospitals exempted if existing CMS requirement). *SB 29 effective 9/1.*
 - Legislation prohibits a Medicaid or CHIP provider from restricting care based solely on immunization status, has exemption for oncology and organ transplant. *HB 44 effective 9/1.*



Gender Affirming Care – SB 7

- Prohibits Medicaid and CHIP from covering medical procedures for the purpose of gender transition or reassignment
- SB 7 also prohibits physicians from:
 - Performing a surgery that sterilizes a child,
 - Providing, prescribing, administering or dispensing drugs that induce transient or permanent infertility
 - Removing any otherwise healthy or non-diseased body part or tissue
- Exceptions may be made with the consent of a child's parent or legal guardian for puberty suppression or blocking drugs for the purpose of treating precocious puberty or as appropriate/medically necessary for treating a child born with a medically verifiable genetic disorder of sex development or does not have normal sex chromosome structure.



Other Public Health Related Operational Issues

- Bring Your Own Blood (SB 1584) - **did not pass**
- Bring Your Own Physician (SB 299) - **did not pass**
- Monthly Reporting of Child Abuse Reports (SB 1197) - **did not pass**
- Newborn Screening Procedures (HB 3212) - **did not pass**
- Mandatory Surgical Smoke Evacuation System (HB 4365) – **did not pass**



End of PHE – Medicaid Unwinding

- Medicaid continuous enrollment provision of the PHE on March 31, 2023 and states could resume Medicaid disenrollments April 1
- Between April 2023- April 2024, Texas reviewed Medicaid eligibility for approx. 5.9 million Texans
- More than 2 million Texans lost Medicaid coverage
 - 1.4 million were “procedurally denied” and most were children
- Now, there is a backlog of over 200,000 Medicaid applications and wait times average 3-4 months for processing
- HHSC eligibility workforce issues being addressed, but system and technology changes needed



Disaster Updates – Hurricane Beryl

- Category 1 and hit near Matagorda, Texas on July 8.
- Damaging winds knocked out power lines and trees.
- 2.6 million people lost power - took over 2 weeks to restore electricity for everyone.
- Texas hospitals worked around the clock to seamlessly continue operations despite challenging conditions.
- Overrun emergency departments - people with non-emergency needs, such as electricity and cooling. THA issued a [news release](#) and other [digital media](#) emphasizing key tips to help relieve overrun hospitals and keep emergency departments available for those who need them the most.
- THA worked with state officials regarding shelter operations, power and connectivity assistance, transport issues and other hospital-related matters.



Disaster Updates – Hurricane Helene

- Category 4 when landed in Florida on Sept. 26 before moving inland to Georgia, South Carolina, North Carolina, Virginia and Tennessee.
- Baxter, one of the largest suppliers of IV fluid solutions, has a major manufacturing facility in North Carolina that was damaged and shutdown in the wake of the storm.
- Texas hospitals are experiencing shortages and are being instructed to work with their RACs
- [FDA](#) has listed all solution shortages, released guidance on compounding solutions, and are bringing in temporary imports to help mitigate shortages



Governor Executive Order - GA-46

NOW, THEREFORE, I, GREG ABBOTT, Governor of Texas, by virtue of the power and authority vested in me by Article IV, Section 1 of the Texas Constitution and Section 418.015(c) of the Texas Government Code, do hereby direct the Health and Human Services Commission to:

- Issued on August 8, 2024
- Purpose: To obligate the federal government to reimburse the State of Texas for the costs to provide care to undocumented persons
- Directs HHSC to do four tasks:

- (1) direct Hospitals to collect information, beginning on November 1, 2024, regarding patients who are not lawfully present in the United States, including the number of inpatient discharges and emergency visits by and the cost of the care provided to such patients;
- (2) direct Hospitals to inform the patient, while collecting this information from the patient, that, as required by federal law, any response to such information requests will not affect patient care;
- (3) direct Hospitals to report such data to the Health and Services Commission quarterly, with the initial submission due to the Health and Human Services Commission no later than March 1, 2025; and
- (4) report annually, beginning on January 1, 2026, to the Governor, the Lieutenant Governor, and the Speaker of the House on the preceding state fiscal year's costs for inpatient and emergency care of patients not lawfully present in the United States as reported by Hospitals.

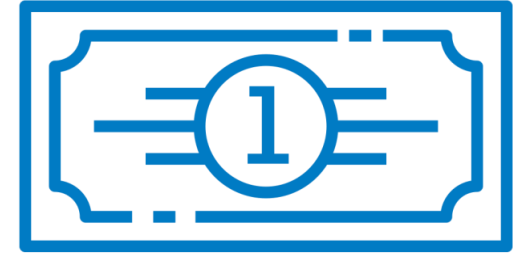


Executive Order GA-46 – Required Information & HHSC Guidance

- HHSC requires Hospitals to provide demographic facility information and specific data elements broken down between what they classify as patients who are “Medicaid & CHIP” and those that are “Non-Medicaid & Non-CHIP.”
- Hospitals must begin collecting this information by November 1.
- First report is due March 1, 2025
- Applies to all hospitals enrolled in Medicaid or CHIP (public and private, profit and non-profit).
- It is not limited to “public” hospitals.
- Are required to inform patients when asked about their status that their response will not impact their health care they can receive from the hospital.



Setting the Scene for the 89th –



- Must-pass legislation – biennial budget
- Anticipated budget surplus of \$22-\$24 billion driven by inflation in sales tax revenues and oil and gas production taxes. Comptroller Hegar will provide an updated revenue estimate in early Jan. 25
- Texas spending limits:
 - Balanced budget requirement as determined by Comptroller Hegar, and
 - Constitutional Spending Limits set by Legislative Budget Board (12.3% over current)
 - To “bust the cap” takes record vote of both houses
- Rainy Day Fund approaching \$19 billion
- Magic Questions:
 - How will legislators prioritize spending (HB 1)?
 - Will legislators discuss property taxes again? Sept. 4 Senate Finance Interim Hearing included discussion of eliminating all property taxes.



Public Health Legislative Challenges

- Institutional knowledge in House – 5 of 11 House Public Health Committee members NOT returning in 2025
- PLUS, House Appropriations Article II Chair NOT returning
- Many candidates running on platforms that support individual rights over all else
- No legislation is better than bad legislation



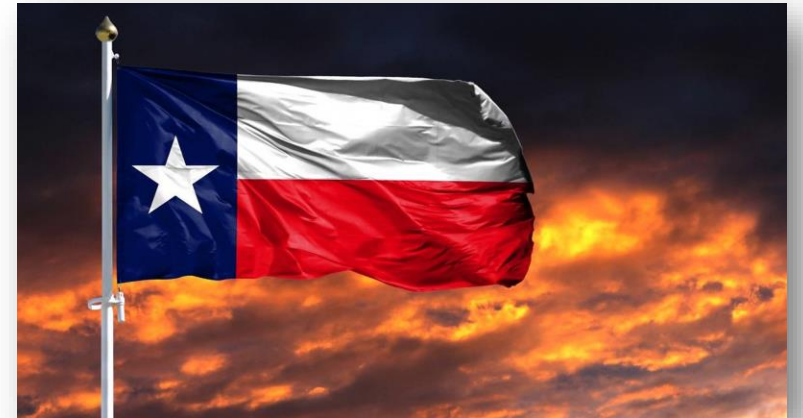
THA 88th Policy Priorities in Development

- **Increase the Texas health care workforce** to ensure providers can provide care, staff vacant beds, and balance continued workforce cost challenges;
- Ensure nurses and all **health care providers are safe at work** by developing strong plans to prevent workplace violence, which endangers patients and staff and increases staff turnover and staffing costs;
- Improve access to care and **increase health care coverage**, including post-partum care for mothers and access for inpatient behavioral health patients, which will decrease Texas hospitals' uncompensated care;
- Increase resources for **behavioral health care** with increased bed capacity statewide, more BH workforce, and increased access and coverage leading to less hospitalizations;
- Balance individual rights and the needs for safety within hospitals, ensuring a **strengthened public health system** and fewer sick patients.



Eyes on 2025

- House and Senate Interim Hearings ongoing with interim reports due by end of year – Expect NEW Senate interim charges to be released (an usual move for this late in the year)
- LBB Hearings Set – State agencies present their Legislative Appropriations Request which include Exceptional Items
- THA Finalizing 2025 State Policy Priorities
- THA Board strategic planning scheduled next week
- November 2024 elections followed closely by bill filing
- All other required reports will be submitted this fall, IE the Bonnen rider on hospital financing, trauma funding
- MEANWHILE... THA staff actively getting to know all the new candidates running for office



Thank you! Questions?

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