

STATE LEGISLATIVE REPORT



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TORCH

Government Relations

July 27, 2017

REGULAR SESSION

- Regular session started on January 10 and ended on May 29.
- Bills filed – 6,631
- Bills and resolutions – 7,051
- Bills passed – 1,285
- Lowest number filed and passed in years.
- 50 bills vetoed by the Governor, none impacting rural hospitals or RHCs.



THE BUDGET

- Almost flat from the current budget.

2018-19 budget \$216.8 billion

2016-17 budget final \$216.4 billion

2016-17 original \$209 billion



THE BUDGET

- 4 to 10% cuts to most state agencies and universities



- Children's Protective Services funding increased by \$500 million.
- Mental health funding increased by well over \$400 million.
- Funds for public education are increased by \$1 billion for the two year budget (mostly enrollment growth).

THE BUDGET

- Border security increase of \$800 million from last session continued - 250 more state troopers and 100 support staff.
- State Comptroller never increased the projected revenue before the budget was approved, limiting the ability of the Legislature to spend extra without making corresponding reductions elsewhere.
- The budget uses almost \$1 billion from the Rainy Day Fund and delays the transfer of \$1.8 billion out of the general fund for highways from one budget cycle into the next one.

THE BUDGET

- The Governor approved the budget on June 12th but did strike approximately \$120 million from the budget out of various appropriations.



MEDICAID



2018-19 budget	\$62.4 billion
2016-17 budget	\$64.1 billion

- No reductions to RHCs.
- \$1 billion in legislatively directed savings from containing program costs.
- Medicaid funding does not account for growth of persons eligible for Medicaid.
- Therapy cuts – of the \$350 million cut from therapy in 2015, 25% of the cut is restored.

OTHER BUDGET ISSUES

- Trauma funding for hospitals and EMS protected – dollars generated from the DRP program provide the trauma designation payments as well the increased rural hospital Medicaid rates approved in 2015.
- Physician loan repayment program reduced from \$16.9 million a year to \$12.7 million a year starting in September– the program that reimburses physicians practicing in a HPSA up to \$140,000 across four years.
- Nursing training reduced almost \$14 million.

OTHER BUDGET ISSUES

- Complimentary online continuing education for rural hospitals (and affiliated RHCs) from SORH and Texas Tech eliminated – not a direct budget cut. Originally omitted from TDA budget request for FY 16-17.



NEW LAWS

- Nursing peer review (HB 3296) – nursing peer review will be required for facilities with 8 or 9 nurses, which were previously exempted from the requirement. Less than 8 still exempt. Current law states facilities with 10 or more nurses.

NEW LAWS

- Advanced practice nurses (SB 654) – clarifies that managed care plans, including those associated with Medicaid, may credential advanced practice nurses as primary care providers when the nurse's delegating physician is not an in-network provider.
- (SB919) - allows APRNs and PAs to sign out of hospital do not resuscitate orders and death certificates for purposes of palliative and hospice care, and is effective immediately.

TELEMEDICINE

- (SB 1107) – Lessens requirements to establish physician/patient relationship for purposes of a telemedicine consult. Opens the door to use in the home.
- (SB 1633) – opens door for rural telepharmacy sites operated by a retail pharmacy. Requires experienced tech on the remote end.

SPECIAL SESSION – Deja Vu All Over

- Started July 18 for 30 days.
- 20 items.
- Continuation of Medical Board and several other small state agencies.
- Property tax cap, abortion complication reporting, and DNR issues probably only impact areas for hospitals.

FEDERAL HEALTH CARE REFORM

- House passed its version in May – Senate still trying.
- Changes now seem uncertain.
- Both versions will give states broad latitude in developing their own Medicaid programs.
- Traditional RHC protections/payment rates could become optional with states.
- Mandates to have insurance gone.
- Higher uninsured certain with elimination of mandates and increased premiums, especially for older, higher utilizers of health care

FEDERAL HEALTH CARE REFORM

- Reduces deficit - Senate: \$321 billion - House: \$119 billion
- Medicaid cuts – Senate: \$772 billion - House: \$834 billion
- Increased in uninsured – Senate: 22 million - House: 24 million
- Stops impending DSH cuts
- Concern for Texas – Medicaid block grant or per capita might not pace growth in current Medicaid as the starting “benchmark” could be low.

CMS PROPOSED FOR 2018

New Care Coordination Services and Payment for Rural Health Clinics (RHCs) and Federally-Qualified Health Centers (FQHCs)

Under this proposal, RHCs and FQHCs would receive payment for regular and complex chronic care management services, general behavioral health integration services, and psychiatric collaborative care model services using two new billing codes created exclusively for RHC and FQHC payment. This payment would be in addition to the payment for an RHC or FQHC visit.

QUESTIONS??

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