



TO: **House Conferees** **Senate Conferees**
 The Honorable Greg Bonnen, MD **The Honorable Joan Huffman**
 The Honorable Mary Gonzalez **The Honorable Brandon Creighton**
 The Honorable Jacey Jetton **The Honorable Lois Kolkhorst**
 The Honorable Gary Van Deaver **The Honorable Robert Nichols**
 The Honorable Armando Walle **The Honorable Charles Schwertner, MD**

FROM: **Texas Medical Association**
 Texas Pediatric Society
 Texas Academy of Family Physicians
 Texas Chapter of the American College of Physicians Services
 Texas Association of Obstetricians and Gynecologists
 Texas Public Health Coalition

SUBJECT: **Organized Medicine's Recommendations on House Bill 1**

DATE: **May 2, 2023**

On behalf of the above-named organizations and the more than 57,000 physicians, medical students, and public health organizations we represent, thank you for your service.

We write to share our recommendations on House Bill 1. As filed, both the House and Senate budget bills funded within the base many of the budget priorities championed by our respective members, including enhanced funding for women's and children's health, behavioral health, and physician workforce development. For these investments, we thank you.

As you reconcile budget plan differences between the chambers, we respectfully urge you to build on the strong foundation established in the base bills by supporting additional investments in the health of all Texans, as detailed below. Together, they not only will improve access to effective, timely, and high-quality health care – goals we know you share – but also will support Texas' continued economic prosperity and competitiveness by:

- Ensuring more women get the services they need to get and stay healthy, fulfill academic and professional goals, and better time a family;
- Promoting a healthy start for millions of the youngest Texans – Texas' future workforce – by improving timely access to preventive, primary and specialty care physician services;
- Building a robust physician workforce to meet the health care needs of Texas' diverse and growing population;

- Fostering early diagnosis, intervention and treatment of mental illness and substance use disorders for Texans young and old, allowing patients with these diagnoses to be productive, engaged members of families and communities; and
- Sustaining investments in Texas’ public health system, which protects the health and well-being of all Texans by supporting programs ranging from disaster preparedness to maternal safety initiatives, to disease prevention.

Budget Priorities for the 2024-25 Biennium¹

ARTICLE II

HEALTH AND HUMAN SERVICES COMMISSION (HHSC)

➤ Bolster Investments in Women’s Health Services

- Support \$438 million in funding for the state’s women’s health programs – Healthy Texas Women, the Family Planning Program, and the Breast and Cervical Cancer Program.
- Allocate \$25 million to increase Medicaid physician payments by 10% for prenatal care as well as labor and delivery, matching the percentage increase recommended for pediatric services (as noted below). Many communities face a growing shortage of obstetrical care physicians and providers. A meaningful Medicaid physician payment increase will help stem the hemorrhage.
- Allocate \$10 million to fund expansion of mobile women’s preventive health care clinics to women living in rural and underserved communities (in addition to funding within the base to promote Better Birth Outcomes).
- Invest \$5 million in a local outreach and marketing efforts to inform women about women’s health programs. Outreach and education to promote continuity of care will be especially important during the Medicaid continuous eligibility unwinding.
- Increase eligibility for the Breast and Cervical Cancer Services program to 250% of the federal poverty level to allow more women diagnosed with these cancers obtain lifesaving treatment.
- Triple the current rural hospital maternity care add-on payment from \$500 to \$1,500 to ensure women have continued access to maternal health services in rural communities. Likewise, allocate \$51 million in grant funding to sustain rural hospital maternity care services and help transition these facilities to value-based payment models.
- Require HHSC to assess the prevalence and causes of “maternal health deserts” as well as potential interventions for lawmakers to consider in 2025.

¹ Unless otherwise noted, all figures reflect an all-funds amount.

➤ **Strengthen Children’s Health Services and Access**

- Improve children’s access to care by adopting \$131 million to increase Medicaid physician payments for services provided to children ages 0-4.
 - Physicians support Medicaid, but stagnant, woefully low Medicaid payments force many physician practices to limit their Medicaid and CHIP participation or cease it altogether. Low payments also harm rural communities’ efforts to attract and retain more physicians. **Making Medicaid pediatric payments more competitive will help improve access to medical care for children. Studies show timely preventive, primary care for the littlest Texans, including babies, contributes to better health outcomes, including greater academic success, thus setting up Texas children for a more economically secure future.**
- Fortify Texas’ eligibility and enrollment system by allocating \$1.4 billion over the biennium – a \$47.8-million increase from the current biennium – to ensure Texans, including children and pregnant women, can timely enroll in Medicaid and other public programs both during and after the Medicaid continuous eligibility unwinding.
- Preserve \$392 million to support early childhood intervention services to help young children diagnosed with developmental delays obtain the services they need to succeed in school and beyond.
- Support language requiring HHSC to provide regular ECI enrollment and forecasting reports to help policymakers more accurately determine program growth and corresponding funding levels.

➤ **Buttress the State’s Behavioral Health System**

- Allocate \$9.6 billion for behavioral health services, including \$3.4 billion within the Medicaid and CHIP strategy. We applaud both chambers’ respective record investments in an array of behavioral health services, particularly support for community-based mental health services for children and adults, with the goal of keeping people out of inpatient facilities when possible.
- Allocate \$65 million to support grant programs for innovative community-based initiatives to improve access to mental health services. These would include programs focused on early identification, treatment, and management of mental health issues in order to mitigate emergency department use, justice involvement, homelessness, and childhood abuse and neglect.
- Allocate funding for Intensive Outpatient Treatment, Partial Hospitalization Program, and Residential Treatment Center beds for children and youth who need a higher level of care, consistent with legislation in both chambers to expand use of these services.
- Maintain \$280 million within Article III to extend capacity of the Texas Child Mental Health Care Consortium, including the Child Psychiatric Access Network and the Perinatal Psychiatric Access Network.

➤ **Improve Access to Lifesaving Cancer Care and Evaluate Opportunities to Strengthen Texas' Physician Trauma Safety Net**

- Establish a colorectal cancer initiative to provide services to uninsured Texans. Colorectal cancer is the third leading cause of cancer-related deaths in Texas, though when diagnosed early, treatment results in a 91% survival rate at 5 years.
- Direct HHSC to evaluate the impact of uncompensated care on the continued viability of the state's emergency medical and trauma system, including the availability of physicians to provide emergency medical and trauma services.

DEPARTMENT OF STATE HEALTH SERVICES (DSHS)

- Allocate \$2.3 billion to support the critical work of DSHS, whose work improves the health and well-being of all Texans, ranging from newborns to new moms to seniors. Major initiatives include disaster preparedness, disease prevention, emergency medical services, and maternal health and safety. Among our recommendations:
- Provide \$19.9 million for tobacco prevention initiatives, an investment that help more young people avoid getting addicted to tobacco in the first, save lives, and ultimately reduce Medicaid and other health care costs.
 - Strengthen Texas' efforts to address maternal mortality by:
 - Allocating \$5 million to modernize the Maternal Mortality and Morbidity Review Committee's (MMMRC's) data systems, the Maternal Health Quality Improvement System, and replacement of the Centers for Disease Control and Prevention's Maternal Mortality Review Information Application; and
 - Adding the members of the MMMRC to the list of advisory committees eligible for reimbursement for travel expenses.

DEPARTMENT OF FAMILY AND PROTECTIVE SERVICES

- Support \$184 million to strengthen family support services, including home visiting, parenting skills, and other interventions to prevent child abuse and neglect.

ARTICLE III

HEALTH CARE WORKFORCE

- **Invest in the State's Physician Workforce to Improve Access to Care for all Texans**
- Preserve the \$233 million included within the base budget to continue the ratio of 1.1 first-year graduate medical education (GME) positions for each Texas medical school graduate.
 - Allocate \$35.5 million to the physician loan education program, a \$6-million increase from the current biennium, to help recruit and retain physicians in rural communities.

- Boost primary care availability by allocating \$36.5 million to the family practice residency program – \$16.5 million in the House budget plus \$20 million in Article XI.
- Support \$4.85 million to underwrite physician preceptorships.
- Provide \$11.7 million to the Joint Admission Medical Program, a program lawmakers established to encourage and support qualified, socioeconomically disadvantaged students pursue a degree in medicine.
- Allocate \$28 million to the mental health loan repayment program, a \$26-million increase from the current biennium. The funding is essential to Texas’ efforts to expand availability of an array of mental health services, including psychiatric physician care and psychological counseling.
- Maintain \$280 million within Article III to enhance the mental health services provided via the Texas Child Mental Health Care Consortium (as noted above).
- **Invest in the State’s Nursing Workforce to Improve Access to Nursing Care for All Texans.**
 - Keep the \$25 million appropriated for nursing scholarships, which is contingent upon SB 25’s passage.
 - Preserve the \$46.8 million included within the base budget for the Nursing Shortage Reduction Program, which is essential for growing the nursing workforce, and consider increasing the amount appropriated to \$65.5 million.
 - Preserve the \$7 million included within the base budget for the Nursing Faculty Loan Repayment Program, which will help grow nursing faculty and address one of the major bottlenecks to the nursing education pipeline.

ARTICLE VI

- **Texans Feeding Texans**
 - Increase availability of fresh, nutritious foods at local food banks as well as delivery of meals to homebound seniors by allocating \$40 million to Texas Feeding Texans, an initiative to provide healthy food for at-risk children, families, and seniors. A large body of research shows food security promotes better health outcomes, thus reducing health care costs.

ARTICLE VIII

- **TEXAS MEDICAL BOARD (TMB)**
 - Allocate \$49.1 million to the TMB, a \$7.35-million increase from the current biennium, to ensure the agency has sufficient resources to fulfill its statutorily required regulatory functions, including timely processing of new and renewed licenses.

Thank you again for your consideration of our recommendations. Our organizations are available at any time to answer your questions and work with you to craft a cost-effective budget that also addresses the vital health care needs of all Texans. For questions, please contact Caitlin Flanders, director of public affairs, Texas Medical Association (TMA), Caitlin.flanders@texmed.org or Helen Kent Davis, associate vice president for governmental affairs, TMA, at helen.davis@texmed.org.