

# Senate Finance

## Article 2

February 21, 2023



### Roll Call

Chair: Joan Huffman - Present  
Vice-chair: Juan "Chuy" Hinojosa - Present  
Paul Bettencourt - Present  
Donna Campbell - Present  
Brandon Creighton - Present  
Pete Flores - Present  
Bob Hall - Present  
Kelly Hancock - Present  
Bryan Hughes - Present  
Lois Kolkhorst - Present  
Robert Nichols - Present  
Angela Paxton - Present  
Charles Perry - Present  
Charles Schwertner - Present  
Royce West - Present  
John Whitmire - Present  
Judith Zaffarini - Present

### Resources

[Public hearing notice](#)

Videos of hearing

- [Part 1](#)
- [Part 2](#)

### Public testimony

**Michael Jameson** (Part 1, 0:05:12)

Lives at Denton State Supported Living Center; caretakers need to be paid more, not enough caretakers on his floor.

TEXAS ASSOCIATION OF HEALTH PLANS

Meeting Update–February 21, 2023  
Jamie Dudensing, CEO

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**Debra Kates**, Mother of Michael (Part 1, 0:08:24)

Asks for increased pay raise/competitive wage. Thanks Sen. Hancock for being an advocate/getting her son in a state supported living center.

**Kolkhorst**: Why was it so hard to get your son in a state supported living center?

**Kates**: We don't know. Local authorities initially said they weren't taking admissions.

**Brent Coghlan and Aaron Castro**, Texas Ambulance Association (Part 1, 0:13:45)

Asks to increase Medicaid reimbursements rates for ground ambulance service. Thinks Medicaid payment rates for these services should be equal to the rural fees established by Medicare. Last increase for this occurred in 2009; since then, rates have been cut 5-7%. Asks for 35% increase in Medicaid funding.

**Nancy Pollard**, Friends of the Children Austin (Part 1, 0:20:35)

FOTCA is designed to break the cycle of generational poverty. Requests 4.5 million for expansion of program for 24-25 biennium.

**Hope Osburn**, Manager of Policy/Advocacy for 2036 (Part 1, 0:23:02)

Asks for funds for a modernized system for Child Protective Family services.

**Dr. Jenice Houston**, Woman's Hospital of Texas (Part 1, 0:24:57)

Requests Medicaid payment rates increase for providers treating babies and infants. Texas Medicaid has not provided physician payment increase in pediatric services for over a decade, even though caseload has increased. We believe, and our HHSC agrees, that without additional funding for rate increases, rising costs from providers could erode the quality of services and accessibility. Ask for a 10% targeted rate increase for physicians treating children ages 0-3.

**Zaffarini**: Consequences of the flat rates and rising costs?

**Houston**: With less health care providers, less care.

**Zaffarini**: Medicaid focuses on all age groups, why focus on zero to three?

**Houston**: The earlier you intervene, the better the impact for babies and families.



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**Campbell:** You did a great job explaining, as a physician I have been able to see this. Agrees with Houston's testimony.

**Kolkhorst:** Movement now for pharmacies wanting to give vaccinations. Are you only looking for neonatologists, or also well visits?

**Houston:** Both.

**Dr. Louis Appel,** Texas Medical Association (Part 1, 0:30:45)

Funding requests priorities - fully support tobacco prevention, and want enhanced resources for maternal mortality care.

**Lori Rodriguez** (Part 1, 1:07:54)

Texas Civil Commitment Center has a total lack of organization and transparency.

**Lynn Rutland,** Andrew's Center (Part 1, 1:12:15)

Emphasizes mental health workforce challenges.

**Jason Pointer,** NAMI (Part 1, 1:14:25)

1 in 6 people in the US will experience a mental illness this year. Texas ranks last in access to mental health.

**Amy Stratton and David Palmer** (Part 1, 1:24:10)

Contests the funding for the Civil Commitment Center.

**John Henderson,** Texas Organization of Rural and Community Hospitals (Part 1, 1:28:08)

Thankful for targeted rural rate enhancements for inpatient, outpatient, and obstetrical services that are once again in the budget; that's had a stabilizing effect. Haven't had a rural hospital closure in Texas for a little over three years.

Brings up that the Rider caps those payments at historical cost. Seen inflationary workforce factors. Estimated budget amounts fall about 31 million dollars short in the biennium in GR; 15.65 million per year. Encourage you to apply inflationary increases to rural Rider in anticipation of cost calculations from the agency.

Workforce is also a challenge.

**Kolkhorst:** Workforce challenges specifically with rural hospitals?

**Henderson:** Challenges to recruit and retain. In favor of loan repayment programs.

**Kolkhorst:** Opinions on REH? Federal designation.

**Henderson:** Generally in support of this for those smaller rural hospitals that are facing closure. Gives them a lifeline.

**Nichols:** Lost 4 rural hospitals in my district. People have to move to the next county to get care.

**Huffman:** Announces workgroups. (Part 1, 1:34:25)

Articles I, IV & V

Senator Hinojosa — Chair

Senator Campbell

Senator Flores

Senator Whitmire

Article II

Senator Kolkhorst — Chair

Senator Hall

Senator Hughes

Senator Paxton

Article III

Senator Creighton — Chair

Senator Bettencourt

Senator Hancock

Senator Zaffirini

Articles VI, VII & VIII

Senator Nichols — Chair

Senator Perry

Senator Schwertner  
Senator West

**Rick Carmona**, Mayor of Terrell (Part 1, 1:36:05)  
Supports funding for Terrell State Mental Health Facility.

**Hall**: Hopes we can get this high on the list.

*Recess.*

**Evelyn Delgado**, Texas Women's Health Care Coalition (Part 2, 0:05:10)  
Request patient navigators onsite at Texas Healthy Women's centers, requests Rider language on transfer authority and unexpended balances be more clear.

**Dr. Steven Hotze** (Part 2, 0:11:59)  
Provision submitted; want to defund any org that is involved in transgender sex change procedures.

**Cody Klein** (Part 2, 0:14:40)  
Asks for increase in private duty funding in the Medicaid program. Supports increase in Medicaid reimbursement by 40%.

**Jolene Jameson**, Center for Health Care Services (Part 2, 0:31:58)  
Difficulties executing contracts with hospitals.

**Jackson Griggs**, Texas Medical Association (Part 2, 0:40:35)  
Too many Texans lack health insurance. Every maternal death; 100 mothers suffer postpartum complications. Obviously Texas has an issue.

Asks: Full year of Medicaid postpartum coverage, increase coverage for Women's services, Medicaid physician payments to increase access to care, modernize the Medicaid eligibility program.

**Bryan Broadbent** (Part 2, 0:44:29)

Representing my daughter. Asks use 1.7 billion dollars in 705 Medicaid income accounts to fund rate increases for private duty nursing and attendant care. Refers to slides.

Slide 8. Bridge from prior slides to 1.7 billion- this is the net of FMAP.

Slide 9. Add that the projected experience rebate for 24-25 should be 0, not 1.4 billion. Decapitated rates are correct. However, if you add the projections and back out the 938 million in SB 1, there's still at least a billion dollars leftover.

HHSC's LAR is 2.6 billion, so I'm in the right direction. Brings me to the presentation; these capitation rates are not correct and there's policy holes that have let MCO's earn excess profits.

Slide 12. The MCO's have seen significant rate increases during Covid while costs have gone down. Slide 13. Texas is one of few states without a hard 85% medical loss rule and experience rebates are calculated across all of Medicaid. Allows MCO's to pocket as much rate increases that state will allow. It's not MCO efficiency, it's profits on a platter.

Slide 14. Look at STAR Kids, MLR is 77 percent. Not remotely close to meeting CMS 85 percent MLR. Plenty of funding in account 705 and already funded capitated rates paid to MCOs nursing and attendant rate increases.

**Huffman:** Confirms that Bryan collected this data himself. Tells Kolkhorst to take a closer look at his material.

**Cody Clark** (Part 2, 0:47:15)

Owns an HCS Medicaid agency. Worst funded state in the country to appropriating care to those with IDD.

**Jana Youbank**, Texas Association of Community Health Centers (Part 2, 0:52:04)

Asks: Expand Medicaid postpartum coverage to 12 months. End of Medicaid Continuous Coverage in Texas is a big undertaking; community health centers are working with HHSC

with the community partner program. Ask lege for a 15 mill investment to help with this process. Supports FQAC incubator program.

**Elizabeth Hennery** (Part 2, 1:33:18)

Invest in recovery housing.

**Meera Reiner** (Part 2, 1:35:40)

Adequately funding long term care now, will help those needing post acute services as they age.

**Alec Mendoza**, Texans Care for Children (Part 2, 1:43:30)

ECI- chronically underfunded, primarily with per child funding.

Multiple representatives from Evergreen Life Services discuss the struggle to meet needs due to the workforce.

**Bob Kafka**, ADAPT (Part 2, 2:35:18)

The largest number of people needing community care are actually those in STAR+PLUS, not IDD. Raise base wage for all people.

**David Mayman** (Part 2, 3:11:52)

Part of a PPAC - goal is to take care of medically complex parents and kids. Created as an alternative to PDN. Emphasizes the value of this.

**Jacque Benestante**, Autism Society of Texas (Part 2, 3:21:28)

Improve funding for the Autism Medicaid Program. Add a reporting mechanism so HHSC shares how much is being spent on the program. Recommends creating an advisory committee.

**Diana Forester**, Texans Care for Children (Part 2, 3:28:24)

With the ending of continuous coverage, many women are gonna be losing their coverage. Additional funding for programs; will be dealing with potentially double caseload. Expand Medicaid coverage for 12 months postpartum.



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**Andrea Earle**, AARP (Part 2, 3:32:11)

Increase funding for HHSC. Support unpaid family caregivers.

**Bryan Mathis, Social Workers Texas** (Part 2, 3:57:42)

Supports a program that would give counselors getting licensure hours a 70% Medicaid reimbursement rate \$10 million.

**Hunter Ryan**, Harris County Medicaid Expansion Coalition (Part 2, 3:59:58)

Requesting 6 month to 12 month coverage postpartum.

**Henry Van de Putte**, Meals on Wheels Texas (Part 2, 5:12:12)

Seeking an increase for home delivered meals from 5 to 7 dollars, meal service helps keep people out of nursing homes

**Mark Gawon**, TexMEP, (Part 2, 5:16:15)

Complained about MCO limiting rates, access to any willing provider and multiple audits

**Anne Dunkelberg**, Every Texan (Part 2, 5:47:57)

The area we are most focused on is concern about recertification in Medicaid after continuous coverage ends

**Jennifer Banda**, Texas Hospital Association (Part 2, 5:52:24)

Support increased funding including the rural hospital additional funds, want hold harmless from Driver Responsibility funds, expand Medicaid 12-months postpartum

**Rosemary Castillo**, PACE Program (Part 2, 6:05:50)

PACE program that uses Medicaid and Medicare funding, saving 24% over Medicaid, Budget neutral program

**Zaffarini**: Can you explain how those slots are neutral?

**Castillo**: Because every participant disenrolls from STAR+ program

**Rebecca Galenski**, Protect Texas Fragile Kids (Part 2, 6:18:02)





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Texas is 49 out of 50 for medically fragile, need to make sure funding doesn't "line the deep pockets" of the insurance companies

**Terry Kirk**, Protect Texas Fragile Kids (Part 2, 6:20:20)

Parent message board filled with warnings not to come to Texas

**Hannah Meta**, Protect Texas Fragile Kids (Part 2, 6:23:25)

Want a comprehensive care pilot, end waiver waitlist, navigators to help direct families through at-home services

**Krista Stevens**, Autism Speaks (Part 2, 6:27:05)

New benefit added to Medicaid, applied behavior analysis

Only 7% of families are receiving benefit, of 93% who are not receiving, 94% are saying they cannot access a provider

**Lucy Humble** (Part 2, 6:36:26)

Autistic son receives 80 hours of care a week through a Medicaid waiver

**Closing announcement:**

Rider Day is Friday March 3, must be a Finance member to present rider, the committee will be working in work groups for the next couple of weeks.