

Ensuring Continued Health Care Funding After Stopgap 1115 Waiver Extension

Testimony to Senate Committee on Health & Human Services

The 1115 Medicaid Waiver has provided critical funding for uncompensated care in Texas hospitals and innovative DSRIP projects – including projects to address unintended pregnancy, birth outcomes, and maternal health – in communities throughout the state. With the stopgap Waiver extension expiring at the end of 2017, next year state leaders must develop a Texas plan to expand health coverage in order to avoid a severe cut in health care funding provided through the Waiver. If the Waiver expires without a plan in place, Texas communities would face a \$1.3 billion cut in health care funding in 2018 and deeper cuts in the future. It's important to note that whether or not Texas reaches a Waiver renewal agreement, and whether or not Texas accepts Medicaid expansion funding, the federal funding will not be renewed for uncompensated care for Texans who could be covered through Medicaid expansion. Texas must replace those expiring funds before 2018.

First, we want to applaud all of the work that has been done to extend the 1115 waiver through 2017. We are extremely pleased about the continued funding and the care it provides for Texans, Texas hospitals, and the state as a whole. Unfortunately, though, the extension is only a stopgap solution. This upcoming session is our chance to adopt a long-term solution for uncompensated care funding. In 2018 alone, the state stands to lose about \$1.3 billion in federal funding without a major waiver remodel that includes a coverage plan for working low-income adults. Most of the losses would be in the state's Uncompensated Care (UC) and Delivery System Reforms Incentive Payment (DSRIP) programs.¹

What happens after 2017 has significant implications for hospitals, county governments, and communities. It also has major consequences for the families served by the nearly 1,500 DSRIP projects across the state.

DSRIP funds innovative programs designed to address most pressing community needs, reduce readmissions, and improve primary care, chronic care management, and mental health. Many DSRIP projects serve uninsured families who currently do not have access to affordable insurance. DSRIP projects are broadly applauded as improving patient outcomes and reducing costs, but many programs may not be able to continue if faced with a 25 percent funding reduction.

Many DSRIP projects focus specifically on reducing unintended pregnancy, improving birth outcomes, and improving maternal health. For example, the JPS Health Network in Tarrant County has used DSRIP funds to roll out a Preconception/Interconception project and work with teens, men, and women ages 15 to 44 who are at risk of unintended pregnancies. With the goal of lowering preterm birth rate and reducing infant mortality in Tarrant County, since 2013 over 3,000 patients have worked with community health workers to complete their reproductive life plans and receive preconception health education and counseling. Since Tarrant County currently has *the highest* infant mortality rate in Texas, projects like these are critical to ensuring planned, healthy pregnancies and improving the health of moms and babies.

The surest way to maximize the return of federal tax dollars for health care and build DSRIP dollars into the health care system is to move forward with a coverage plan for low-income Texas adults. As mentioned above, closing the coverage gap will reduce the number of uninsured and maximize the ability of HTW and FPP and the women’s health safety net to reach more people in need. Additionally, closing the coverage gap is an essential step to address Texas’ alarming spike in pregnancy-related deaths and complications. The DSHS Maternal Mortality and Morbidity Task Force found that 60 percent of maternal deaths occurred *more than 42 days* and up to a year after delivery of a child – and top reasons for pregnancy-related deaths included heart attack, drug overdose, hypertension/eclampsia, hemorrhage, sepsis, and suicide.² Medicaid for Pregnant Women ends about 60 days after delivery, meaning that many new mothers with infants are becoming uninsured at a time when they are facing great risk of pregnancy-related deaths or complication.

The Task Force also found there were repeated missed opportunities to screen for and refer women to treatment for mental health and substance use disorders. Regular care *before, during, and after* pregnancy – including mental and behavioral health services – is critical to diagnose, manage, and treat health risks and conditions. Closing the coverage gap will enable more low-income women of reproductive age to get care and interventions at a medical home before, during, and between pregnancies. This is essential to improve the health of moms and babies in our state.

¹ Texas may face an estimated 50% reduction in federal funds in 2018 for the UC pool (about \$885 million loss) and an estimated 25% reduction in federal funds in 2018 for the DSRIP pool (about \$443 million loss).

² Texas Department of State Health Services. “Maternal Mortality and Morbidity Task Force and Department of State Health Services Joint Biennial Report.” July 2016. Accessed at <http://dshs.texas.gov/ConsumerandExternalAffairs/legislative/2016Reports/M3TFBiennialReport2016-7-15.pdf>.