



Texas House of Representatives

2019 Interim Study Proposals

Appropriations

- Evaluate the use of Medicaid value-based payment initiatives to provide Medicaid physician payment increases that will 1) reward innovative, cost-effective delivery models; 2) maximize the state's efforts to improve patient health outcomes and lower costs; and 3) address Texas' critical health care challenges, including improving maternal and child health, increasing the availability of mental health and substance use disorder treatment, and strengthening rural, border, and underserved physician networks.

Rationale: Texas Medicaid physician fee-for-service rates – the fee schedule most Medicaid managed care organizations (MCOs) pay physicians too – have not received a meaningful, enduring increase in more than two decades. Medicaid is the lowest payer in Texas, paying 40% to 70% of the Medicare physician fee schedule for office-based services. New value-based partnerships between physicians and MCOs have resulted in some physician practices, mostly primary care, receiving better payments, including incentives for providing evening and weekend office hours and increasing the number of children who receive well-child care visits. Yet, without investment of new state dollars targeted towards Medicaid physician services, the ability to maintain innovative MCO-physician collaborations – and their cost-savings potential – will falter.

- Evaluate options to extend Texas' Medicaid 1115 Transformation Waiver in a manner that will address Texas' pressing health care needs, including improving maternal and child health, increasing availability of cost-effective substance abuse and mental health services, and stabilizing the Medicaid physician and provider network by ensuring competitive Medicaid payments and promoting value-based systems of care.

Rationale: Texas' Medicaid waiver will expire in 2022, resulting in the loss of billions of federal funds that are vital to the stability of Texas' safety-net system as well as ability of working uninsured Texans to obtain necessary health care services. Texas physicians support the waiver, but also believe it must be redesigned to more fairly distribute funding to safety net providers and ensure working Texans can obtain medically necessary care. The current waiver does not provide direct funds to physicians despite their fundamental role in the caring for Medicaid and uninsured Texans. Furthermore, it is imperative that lawmakers play an active role in developing a waiver transition plan to avoid potentially catastrophic financial losses for safety net systems.

- Revisit and update the Texas Comptroller's report from 2007 and 2011 on the economic costs of obesity on the state. Specifically, identify future costs on state funded programs such as ERS, TRS, Medicaid, and other safety net programs – as well as the impact on Texas businesses due to absenteeism, healthcare costs, and lost productivity. Recommend strategies to address the costs of obesity in the next biennium's budget cycle and over the next decade.

Rationale: According to the Robert Wood Johnson Foundation, Texas has the 14th highest adult obesity rate in the nation, and the seventh highest obesity rate for youth ages 10 to 17. Obesity contributes to Texas' rising rates of chronic diseases, including diabetes and hypertension, as well as maternal mortality and morbidity, thus increasing costs to state-funded health care programs and reducing work productivity.

Higher Education

- Evaluate the strengths and weaknesses of the state's primary care workforce and determine if new state policies are needed to meet future needs.

Rationale: While Texas is investing in the training of new primary care physicians and progress has been made, it takes time to prepare new physicians for practice. Texas ranks 47th in the ratio of primary care physicians per capita, out of the 50 states and the District of Columbia. It is reasonable to expect that every Texan will have the need for primary health care services in the near future and access is critically important. It is important to assess the strengths and weaknesses of the state's primary care workforce and determine if new state policies are needed to meet future needs.

Human Services

- Identify opportunities for Medicaid managed care organizations, health care providers, and communities to partner to develop and implement non-medical initiatives that will help patients be healthier and more productive at home, school, and work while also constraining Medicaid costs.

Rationale: Access to timely, high-quality medical care is an important part of ensuring the health of all Texans. But external factors, such as access to safe places to live and play and nutritious food, as well as personal behaviors, such as smoking and diet, contribute to as much as 80 percent of a patient's health. For Texas to make significant strides towards improving health outcomes and constraining health care costs, it must address all the factors that contribute to people's health.

- Monitor implementation of Medicaid managed care reform initiatives and identify additional opportunities to improve timely availability of care, decrease red tape and administrative costs, and improve patient and provider satisfaction by:
 - Eliminating red tape that results in the erroneous denial of children's Medicaid coverage, which contributes to higher per-person Medicaid costs and harms the financial viability of safety-net physicians and providers across Texas;
 - Assessing cost-effective options to extend after-hours availability of Medicaid managed care medical directors in order to hasten peer-to-peer consultations, which will help to eliminate delays in treatment and services; and
 - Improve care coordination for Medicaid enrollees with high-risk, chronic and/or complex medical conditions, including best practices to:
 - More timely connect care coordinators with patients and providers;
 - Deploy virtual care coordination models to rural and underserved communities;
 - Decrease administrative hassles for patients, physicians, and providers by reducing Duplicative efforts to arrange and coordinate care; and

- Pay providers to incorporate care coordination directly into their practices in lieu of using MCO coordinators.

Rationale: Texas enacted important Medicaid managed care reforms during the 86th legislative session. The legislature should closely monitor implementation of the changes and continue to build on its efforts to increase managed care accountability and transparency.

- Assess the state’s implementation of Medicaid managed care value-based payment (VBP) initiatives/alternative payment models (APM), with specific focus on how to remove financial, operational, eligibility, and administrative barriers that may impede adoption of VBP by providers and health plans. Specifically, the review should consider: 1) whether the children’s Medicaid eligibility determination process impedes implementation of cost-effective pediatric and adolescent VBP programs; 2) whether the state should reassess the timeframe for extending risk-based VBP models for which many safety-net Medicaid providers may not be financially ready; 3) opportunities to standardize quality measures to help reduce administrative hassles for providers and plans; 4) establishing consistent definitions and models of care; and 5) whether state contractual terms, rules and/or regulations impede use of on-financial rewards, such as paperwork reduction, for high performing providers.

Rationale: The state’s Medicaid managed care contract stipulates that health plans must implement VBP/APM models, a model physicians support. However, rapid adoption of the models remains challenging for reasons noted above. At the same time, each year plans must increase the percent of overall claims’ paid via VBP/APM, including a requirement that a growing percent of the models include financial risk. If Texas Medicaid wants more physicians and providers to implement the model, it must work with providers and plans to remove barriers to more widespread adoption.

- Evaluate options to extend Texas’ Medicaid 1115 Transformation Waiver in a manner that will
 - Enhance health coverage for low-income Texans as a means to promote greater self-sufficiency and prosperity among low-income families;
 - Bolster the state’s efforts to improve health outcomes for pregnant and postpartum women, children, and at-risk populations; and
 - Stabilize the Medicaid physician and provider network by ensuring competitive Medicaid payments.

Rationale: Texas’ Medicaid waiver will expire in 2022, resulting in the loss of billions of federal funds vital to sustaining Texas’ health care safety-net and that ensure thousands of working uninsured Texans can obtain needed health care services. Texas physicians support the waiver. But also believe it must be redesigned to reach more Texans and to more fairly distribute funding to all safety net providers. The current waiver does not provide funds to support and sustain the Medicaid physician network despite the fundamental role physicians play in caring for Medicaid and the uninsured.

- Monitor efforts by Texas Medicaid to accelerate the number of medical services eligible to be paid when provided via telemedicine.

Insurance

- Evaluate factors contributing to declining health insurance coverage among all Texas, but particularly among children, and devise strategies to reduce the state’s growing number of uninsured and *underinsured*, including:
 - Enrolling Texans who are eligible for Medicaid or the Children’s Health Insurance Program (CHIP) into those programs;
 - Devising state-based strategies to increase availability of affordable, comprehensive coverage (*Recommend joint study with Human Services*);
 - Identifying strategies to provide women of reproductive age 12-months comprehensive health care coverage to ensure they can obtain needed care before, during, and after pregnancy.

Rationale: Despite several years of progress, Texas’ rate of uninsured is growing, a troubling trend that contributes to poorer health outcomes for Texans, higher uncompensated care for physicians and providers, and higher health care costs, premiums, and taxes for everyone. Texas must take bold steps to once and for all relinquish its title as the uninsured Capitol of the country.

Public Education

- Explore the relationship between school performance and child health insurance and identify ways to eliminate barriers to more Texas children gaining health insurance, including removal of red tape that results in children on Medicaid unnecessarily losing coverage.

Rationale: Studies show that children with health insurance miss less school and perform better academically, a key factor to their future success as adults. Yet the percent of Texas children without health insurance is growing after years of decline. Healthy, educated children go hand in glove. Texas must identify ways to reverse the number of children without health insurance in order to secure a future educated workforce.

- Study and assess school enrollment process related to delinquent and provisional immunization status. Determine what successes, constraints, or limitations school districts encounter when implementing admission and eligibility requirements – especially in areas where access to consistent care may be limited. Make recommendations to identify evidenced based system processes to improve compliance.

Rationale: In many school districts across the state, there are more students who are delinquent from their admission required immunizations rather than parents who have exempted them from immunizations. Busy parents can forget to get their child immunized despite reminders from school nurses. To ensure safety from preventable infectious disease we must ensure community immunity exceeds necessary levels.

- Study the quality, amount, and scope of physical education and physical activity students are receiving in school districts across the state. Examine data collected by the Texas Education Agency as outlined in Senate Bill 1873 (85th Legislature) and make recommendations that improve access to moderate to vigorous physical activity while increasing academic performance and classroom behavior.

Rationale: According to the Robert Wood Johnson Foundation, Texas has the 14th highest adult obesity rate in the nation, and the seventh highest obesity rate for youth ages 10 to 17. Obesity contributes to Texas’ rising rates of chronic diseases, including diabetes and hypertension, as well as maternal mortality and morbidity, thus increasing costs to state-funded health care programs and reducing working productivity. To combat obesity, we must intervene early and teach children healthy physical activity habits.

- Examine strategies to streamline and coordinate all health related school activities. Identify venues within the school day to ensure students are receiving comprehensive skills-based health education to promote social emotional health, prevent disease, decrease absenteeism, and reduce risky behavior. Rationale: In 2009, the Texas Legislature cut health education as a high school graduation requirement. This greatly decreased the number of students exposed to critical information around drug use, healthy relationships, mental health, infectious disease control, and even topics like responsibility and compassion. Various state mandates require schools to implement specific topics such as bullying prevention, tobacco prevention, Parenting and Paternity Awareness (PAPA), and CPR instruction, yet the venue for implementation (health education) has been limited. Adolescents who participate in health education are better able to access, understand, and advocate for health information and services. This can help students maintain or enhance their health and influence the health behaviors of those around them or in their care.

Public Health

- Monitor implementation of legislation to improve maternal health and child health, including Senate Bills 748, 749, and 750, and evaluate additional opportunities for Texas to improve maternal health, including:
 - Assessing state surveillance data on prevalence of congenital perinatal infections that contribute to poor maternal and newborn outcomes and identify opportunities for prevention and early treatment;
 - Exploring need for additional services and benefits that will reduce the state's rate of postpartum mortality and severe complications and decrease costs;
 - Promoting use of in-person and/or virtual home visiting initiatives to increase new mother's compliance with recommended preventive, primary, specialty, and behavioral health services; and
 - Evaluating how to cost effectively automatically enroll young adult women into Healthy Texas Women (HTW) when they age out of children's Medicaid or CHIP; and
 - Improving outreach and education to encourage eligible women to enroll into and utilize HTW services.
- Identify strategies to provide women of reproductive age 12-months comprehensive health care coverage to ensure they can obtain needed care before, during, and after pregnancy.

Rationale: Over the past several legislative sessions, lawmakers enacted important initiatives to improve perinatal health, provide preventive and primary care services for low-income women, and improve birth outcomes for both mothers and babies. Yet there is still room for improvement. Twenty-four percent of women ages 15 to 44 lack health insurance, which Texas' own data shows contributes to the death or severe complications for postpartum women.

- Identify opportunities to develop and implement initiatives that will improve population health and help patients be healthier and more productive at home, school, and work while also constraining Medicaid and other public payers' health care costs.

Rationale: Access to timely, high quality medical care is an important component in the state's efforts to improve the health of all Texans. But external factors, such as access to safe places to live, study, and play, nutritious food, and interpersonal violence, as well as personal decisions, such as smoking and poor diet, contribute to as much as 80% of patients' health. For Texas to make significant strides towards improving health outcomes – and constraining costs – it must address all the factors that contribute to healthy patients.

- Monitor implementation of Senate Bill 11, with particular emphasis on the following:
 - 1) Study and recommend a process for tracking school districts' use of their school safety allotment in order to:
 - Assess relative expenditures on student behavioral health and school hardening statewide;
 - Characterize differences in school safety spending by district size to ensure small districts are not disadvantaged in addressing student behavioral health gaps under the current funding formula;
 - Track recurring expenses (e.g. personnel costs for school-based mental health professionals) versus those likely to be one-time or infrequent (e.g., replacing locks) to apprise future legislatures of expected costs to sustain student behavioral health investments; and
 - Monitor implementation of the Texas Child Mental Health Care Consortium, including identifying effective and timely outreach, education, and engagement initiatives to ensure community physicians know how to utilize the consortium's pediatric mental health consultative services; and to maximize funding so that as many children and adolescents receive services as possible.

Rationale: SB 11 establishes important school safety and mental health initiatives, but as school districts implement the bill it will be important for lawmakers to carefully evaluate variation in how school districts use the new funding in order to make any necessary adjustments in 2021. As to the consortium, organized medicine strongly supports establishing the system as a means to improve access to pediatric mental health services. But to succeed, the consortium will need to actively conduct outreach to informing community-physicians across Texas about how to utilize the consultative services.

Identify strategies to improve the state's competency restoration process for individuals with serious mental illness who are involved in the criminal justice system.

Rationale: As recently as 2012, nearly 20% of the adult offenders in Texas state prisons, on parole, or on probation were former patients of Texas' mental health system. Senate Bill 292, passed in the 85th regular legislative session, made a groundbreaking investment in reducing recidivism, arrest, and incarceration of people with mental illness. Allowing patients to receive necessary mental health services rather than incarceration ensures people receive care they need in an environment that promotes their well-being.