Senate Finance Committee – Senate Bill 1, Article II Hearing
Texas Health and Human Services Commission
Feb. 21, 2023

Written Testimony Submitted by Jackson Griggs, MD, on Behalf of:
Texas Medical Association
Texas Academy of Family Physicians
Texas Pediatric Society
American College of Physicians Services – Texas Chapter
American College of Obstetricians and Gynecologists – District XI (Texas)
Texas Association of Obstetricians and Gynecologists
Texas Public Health Coalition

On behalf of the above-named organizations, representing physicians and a coalition of public health advocacy organizations, thank you for your service and the opportunity to provide input on the Texas Health and Human Service Commission's (HHSC's) 2024-25 biennial budget.

First, we would like to express our gratitude to Chairwoman Huffman and the entire committee for the investments it has already made within Senate Bill 1 aligning with medicine's top budget priorities. **Additionally, we would like to thank HHSC Executive Commissioner Cecile Young and the entire HHSC staff, who work tirelessly every day on behalf of millions of Texans served by its programs.**

According to State Comptroller Glenn Hager's Biennial Revenue Estimate, over the past two years Texas' economy outperformed even the most wildly optimistic performance expectations, resulting in an unprecedented and historic budget surplus. While we know rising health care costs, inflation, labor shortages, and supply chain disruptions will eat into this windfall, there also is a tremendous opportunity to make historic investments in the state's health care system.

Texas has much to offer its residents as evidenced by a booming population, however our world-class state lacks a health care system to match.

- **Too many new Texas moms still die unnecessarily following delivery, averaging 12 deaths per month.** Each death ripples through families and communities. **Indeed, of the 140 maternal deaths in 2019, 291 children lost their mothers.**[1] Moreover, for every maternal death, 100 moms suffer severe postpartum complications, often with enduring consequences for them and their family.

- **Too many Texans lack health insurance, making it difficult to obtain needed medical care, even life-saving care.** For most working-age adults needing treatment for cancer, chronic conditions, or mental illness (among others) the safety net is too strained or non-existent to meet their needs.

- **Texas leads the country in maternal health deserts** – communities with limited or no local prenatal and maternity care services, even for insured women – jeopardizing the health of expectant mothers and their

unborn babies.

- **Rising rates of drug abuse, suicide, and domestic violence reflect the mental anguish and distress so many Texans face.**

- **Access to care continues to dwindle for many Medicaid and low-income patients**, driven by declines in the Medicaid physician network. Texas communities rely on community-based physicians who accept Medicaid. Without them, low-income Texans go without desperately needed health care.

- **Rates of delayed and foregone preventive care for children and adults have increased**, resulting in potentially missed and delayed diagnoses, such as for developmental delays among children and breast cancer screenings for women.

Moreover, beginning in March, Texan will begin "unwinding" Medicaid continuous coverage, which benefitted not only the health of some 2.7 million Texans – mostly mothers and children, but also mitigated unfunded care for physicians, clinics and safety net systems, many of which struggled financially during over the past few years.

As part of the unwinding, HHSC will review the eligibility of all Medicaid enrollees. No one questions the need to reassess eligibility, yet the magnitude of the "unwinding" will strain an already thinly stretched health care safety net as millions more Texans become uninsured. It is estimated more than half of those who gained coverage will not qualify for Medicaid or other coverage. Local indigent care programs, community clinics and safety-net practices lack the capacity to absorb that level of uncompensated care.

Moreover, the complexities of Texas' Medicaid eligibility system mean many people who lose coverage might nevertheless still be eligible. This likely will result in potential gaps in services as well as enormous disruptions, and costs for physician practices and community clinics at time when most face significant financial strain. Many will turn to emergency departments for care – ultimately resulting in higher costs Medicaid will pay. Despite nearly a year of thoughtful planning, Texas' health care system will be significantly challenged by an undertaking of this magnitude.

Thanks to careful economic stewardship and planning, the state avoided a pandemic-induced economic tsunami as some feared. Instead, Texas will have enviable financial resources available to invest. Where will those dollars go? From the perspective of our members, the best investment is in the health of our citizens.

As you contemplate how best to allocate the budget surplus, we ask for your support to improve health outcomes, while also helping Texans gain economic sufficiency. Respectfully, we recommend that you boost funding for initiatives to:

- improve the health of women, children, and families by extending health care coverage;

- support early intervention services for children with developmental delays;

- modernize the state's Medicaid eligibility and enrollment system;

- ensure timely access to mental health and substance use disorder services; and

- revitalize the physician Medicaid network with at least targeted investments to improve access to care for young children and their mothers.

This session, we urge you to strengthen investments in the health of all Texans.

Recommendations

- **Ensure meaningful, comprehensive health care coverage for postpartum women and children.**

  - Provide funding for 12-months Medicaid postpartum services, a budget priority of Gov. Greg Abbott.
  - Fully extend coverage for women enrolled in the breast and cervical cancer program to ensure more women get lifesaving treatment.
  - Increase access to timely prenatal care by making it easier for women to enroll in the program and boost availability of mobile prenatal and preventive care clinics.
  - Simplify Medicaid eligibility to ensure timely enrollment of eligible Texans.
  - Increase funding for outreach and enrollment to Texans eligible but not enrolled in Medicaid or the Children's Health Insurance Program (CHIP), most of whom are children.
  - Design a Texas-style strategy to federal funds to improve health care coverage.

  Too many mothers die during pregnancy or in the year following, even though nine in 10 of these deaths are potentially preventable. Indeed, an average of 12 pregnant or postpartum women die each month. When a mother dies, the death impacts her entire family, often leaving children without a mother.

  Nearly one-third of maternal deaths occur after Texas Medicaid's 2-month postpartum coverage ends. With the loss of coverage, women with persistent underlying health conditions – or even urgent, severe ones – often delay or skip needed care due to costs, contributing to Texas' maternal death rate.

  The No. 1 recommendation of the state's own panel of maternal health experts is to extend Medicaid postpartum coverage a full year to help save lives.

- **Promote better birth outcomes by enhancing women's access to preventive, primary, and behavioral health care throughout their reproductive lifespans.**

  - We loudly applaud the committee for increasing funding to the state's women's health programs, including Healthy Texas Women (HTW) and the Family Planning Program (FPP), both of which provide women access to essential preventive health services such as annual well woman exams and screening, and basic treatment for common chronic diseases, such as diabetes – a leading contributor to congenital birth defects when poorly managed at the time of conception.

    We also commend the committee for including within the base funding to expand mobile prenatal and preventive health clinics that will help improve access to care to women living in maternal health deserts. Given the magnitude of the need, we request you support additional investments in mobile units.

    At the same time, most women rely on primary care physicians and clinics for their care. Mobile units fill a very important niche. Yet on their own they cannot address the need. We urge the committee to also support efforts to expand availability of women's preventive care, including contraceptives, and to invest in the state's primary care and women's health physician and clinic network by increasing Medicaid payment rates (discussed more below). Specifically, we recommend:

- Provide funding to align Texas Medicaid policy with national specialty society guidance to allow primary care physicians to provide up to four postpartum depression (PPD) screens in the year following delivery.

- Improve access to the most effective form of contraception - long-acting reversible contraceptives (LARCs) – by adopting payment policies to promote same-day availability either during a well-woman exam or prior to discharge following delivery. Other states have implemented access-based payment strategies to help remove barriers to obtaining LARCs, a practice we strongly support.

- Support investments in new services, technology, and virtual care strategies to fill gaps in prenatal and postpartum care in rural communities, including expansion of virtual services, home telemonitoring programs and home visiting programs.

- Increase rural hospital maternal health add-on payments to restore and sustain those services with rural communities. Rural obstetrical care physicians cannot deliver babies without a local facility. Likewise, hospitals need physicians to provide care, leading to the last recommendation.

- Increase Medicaid payments for obstetrical services, including providing physicians practicing at rural hospitals their own add-on payment.

Rationale: Women living in states with comprehensive health care coverage have better health outcomes, including fewer maternal complications and deaths[2, 3, 4]

Healthy pregnancies do not begin at conception but in the months and years prior. While many factors contribute to healthy pregnancies, timely access to preventive, primary, and subspecialty care – including behavioral health services – throughout a woman's reproductive lifespan are among the most important. Twenty-five percent of low-income women lack health insurance. Before and after pregnancy, the FPP and HTW fill important gaps in preventive and primary care.

Enrollment in HTW and FPP continues to grow, a positive development because these programs often are the only source of care for low-income uninsured women. It's vital that funding keep pace with enrollment to ensure women seeking preventive care services, including contraception, can get it.

Access to contraceptive services is win-win for women and Texas, allowing women to fulfill their educational and/or professional goals in addition to timing and spacing pregnancies at times best for them and their families. According to the Texas Comptroller, Texas has 3rd highest rate of women owned businesses in the country.

In addition to programmatic funding, we urge Texas to improve access to long-acting reversible contraceptives (LARCs) - the most effective form of contraception. Texas Medicaid reimburses for the devices and professional services. Yet, the program's payment policy hampers many physicians' and hospitals' ability to provide same-day availability either during a well-woman exam or prior to discharge following delivery. Other states have implemented access-based payment strategies to overcome these barriers, a practice we encourage to also adopt.

- **Ensure women and children can obtain timely services by increasing Medicaid physician payments.**

  - Increase Medicaid payments for services provide to children ages 0 to 3 by at least 10 percent.

  - Increase payments for maternity care services, as recommended by HHSC (exceptional item 10), in addition to providing 10 percent increase or more in payments for women's preventive health care.

Rationale: The Medicaid physician network grows more tenuous each year, due to administrative complexity and obsolete payment rates. Texas has not enacted a meaningful, enduring physician rate increase in more than a decade. For example, Medicaid pays $37 for a routine pediatric office exam ($33 for that child's parent). If the same physician saw the child's grandmother, however, Medicare would pay $73[5] for the same service, while a commercial health plan would pay $87[6] regardless of the patient's age. Likewise, Medicaid pays $560 for a vaginal delivery, roughly 56% of a commercial insurer. Meanwhile, like other small businesses, physician practice costs continue to rise. Medicaid is not a sustainable payer for a physician's practice.

While our organizations believe it is time invest in broader Medicaid physician payment increases, we understand budget writers will face numerous demands this biennium. At a minimum, we support boosting payments for pediatric and maternal health services. Increasing Medicaid physician payments for care provided during a child's most formative ages of 0 to 3 will help children obtain the medical care they need, putting them on a path to healthy, productive future.

Additionally, we urge you to increase Medicaid physician payments to ensure women can obtain timely preventive, primary and specialty care before, during, and after pregnancy. Healthy babies begin with healthy mothers, yet lack of timely care in the months and years before pregnancy – as well as during – can result in complications for one or both. As fewer obstetrical care physicians and providers enroll in Medicaid, more women will be unable to obtain vital prenatal care and safe, local maternity care services.

- **Increase access to evidence-based community and crisis mental health and substance abuse services.**
  - Support HHSC's Exceptional Items (EI) to expand crisis-level services, innovation grants and discharge coordination, among others.
  - Ensure people can obtain mental health care at the right time, in the right setting appropriate for their diagnosis by investing resources across the entire mental health service continuum, ranging from community-based outpatient counseling and supportive services to crisis stabilization, inpatient hospitals, and step-down and intermediate care facilities.
  - Promote investment in innovative value-based payment arrangements to reward primary care physicians for treating and managing mental health services; and
  - Provide payment for physicians who screen for adverse childhood events.

Rationale: Rising rates of addiction and suicide are indicators of mental health turmoil among far too many Texans, including teens and adolescents. Thus, medicine is thankful for the state's continued investments in mental health and substance use treatment, including significant additional funding within the base budget. We strongly support HHSC's behavioral health EI requests to further boost mental health funding in key areas.

But Texas must ensure a robust mix of services across the mental health continuum, including more funding for outpatient services, including intermediate care facilities to provide "step down" services for adults and children being discharged from inpatient hospital-level care, but who nevertheless need more intensive care than available at the community level.

While each patient must be treated individually, studies show that untreated mental health and substance use disorders among parents contribute to poor mental health, social skills, and academic performance among their children. Thus, access to counseling and supportive family services can help mitigate a mental health crisis for parents, children and families – and avoid potentially more expensive care.

Lastly, with such overwhelming need for mental health services, Texas must put "all hands on deck," supporting not only public mental health providers' ability to increase capacity, but also that of primary care physicians and clinics. When patients have a mental health concern such as anxiety or depression, the first place many turn for help is their own primary care physician – someone they know and trust. Lingering stigma associated with seeking mental health services means some patients remain reluctant to obtain care from a mental health clinic. However, primary care physicians – including obstetricians – can manage and treat mild to moderate diagnoses.

Given the shortage of both adult and child psychiatrists as well as mental health professionals, the primary care physician's role cannot be overstated as an essential component the team strategy to ensure early intervention, treatment, and management of mental illness. The state's Child Psychiatric Access Network, developed through the Texas Child Mental Health Consortium, provides vital mental health consults to primary care practices managing behavioral health needs among their patients. **Yet CPAN's success depends on a robust primary care network to actually provide the care.**

Likewise, the newly launched Perinatal Psychiatric Access Network, PeriPAN, which will help obstetrical care and primary care physicians treat and manage perinatal mood disorders among pregnant and postpartum women, cannot succeed without a strong network of community-based physicians.

However, low Medicaid payments and administrative hassles mean more primary care physicians choose to limit or halt Medicaid participation**.**

- **Continue investments in Early Childhood Intervention (ECI)**

We thank the committee for fully funding HHSC's exceptional item request to fund caseload growth within ECI. ECI is a statewide program for families with children, birth to age 3, with disabilities and/or developmental delays. It helps parents better support their children to reach their potential through targeted developmental services and parent counseling and training.

Investments in early childhood programs pay long-term dividends for our society and the state budget.

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[1] Cover Letter to Gov. Greg Abbott upon release of the 2022 DSHS and MMMRC Joint Report, Dec. 14, 2022

[2] High Rates of Perinatal Insurance Churn Persist After The ACA, Jamie Daw, Katy Backes Kozhimannil, and Lindsay K. Admon, *Health Affairs,* Sept. 2019.

[3] Effects Of Medicaid Expansion On Postpartum Coverage And Outpatient Utilization, Sarah H. Gordon, Benjamin D. Sommers, Ira B. Wilson, and, Amal N. Trivedi, *Health Affairs,* Jan. 2020.

[4] Adoption of Medicaid Expansion is Associated with Lower Maternal Mortality, Erica L. Eliason, MPH, *Women's Health Issues,* Feb. 25, 2020.

[5] Medicare physician payment rate for the Rest of Texas geographic locality, which encompasses San Antonio, South Texas, and nonmetro counties, and is the lowest amount paid by Medicare.

[6] Texas Medicaid establishes rates for each service billed by physicians. However, Medicaid managed care organizations may contractually establish different payment rates, which are proprietary. The Texas Medical Association estimated the average commercial payment based on analysis from the Medicare Physician Payment Advisory Committee.