

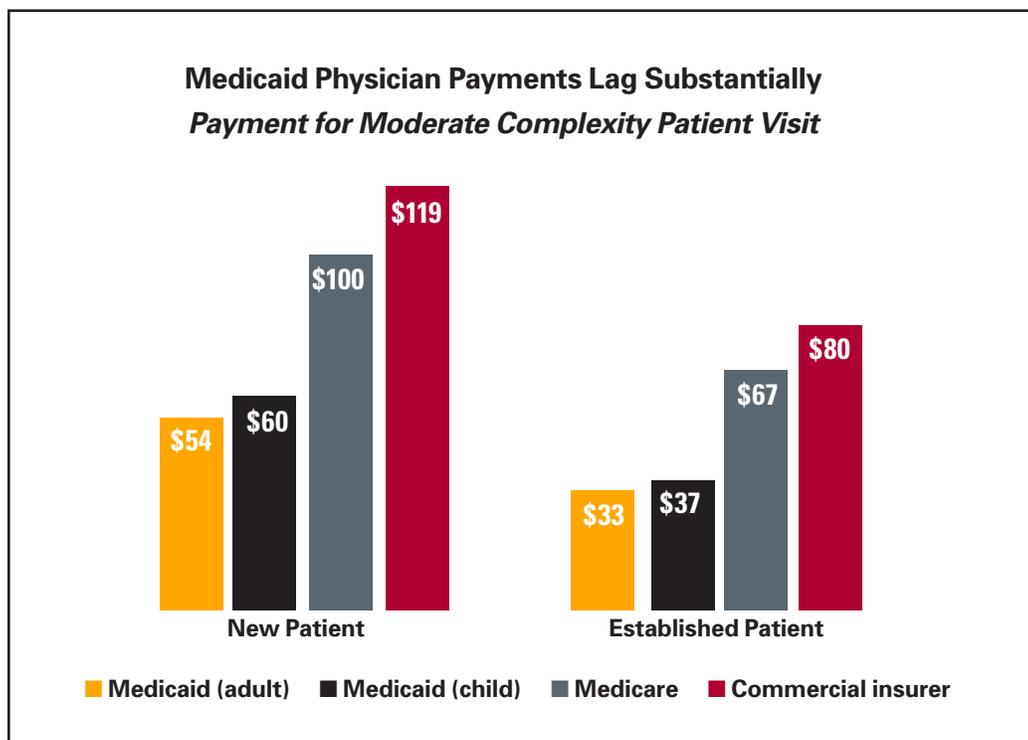
A Stronger Medicaid Means a Stronger Texas

Physicians Call for \$500 Million Targeted Investments

The foundation of an efficient, effective Medicaid program is the network of primary and specialty care physicians who care for Medicaid patients every day — delivering babies, vaccinating children, repairing broken arms, and caring for those at the end of life. Yet that foundation shows cracks. Despite strong physician support for Medicaid, finding physicians who will care for Medicaid patients remains a struggle. **Therefore, the Texas Medical Association respectfully asks the 86th Texas Legislature to invest \$500 million in general revenue to improve access to care in Texas.**

Texas Medicaid physician fee-for-service rates — the fee schedule most Medicaid managed care organizations (MCOs) use to pay physicians — have not seen a meaningful, enduring increase in more than two decades.

Medicaid is the lowest payer in Texas, paying 40 percent to 70 percent of the Medicare physician fee schedule for office-based services. Physician payments also are not indexed to inflation, meaning that each year Texas fails to increase payments, the farther Medicaid payments fall behind commercial payers and Medicare.



Low Medicaid physician payments contribute to higher health care costs for all Texans.

Physicians must charge private paying patients more to help cover their Medicaid losses. Hospital systems that employ physicians or contract for their services must in turn charge private-paying patients and health plans more to close the gap between Medicaid payments and the actual costs of care, contributing to higher health insurance premiums.

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Physicians Caring for Texans

By targeting investments in Medicaid, the Texas Legislature can improve the health of many Texans and spend the taxpayer's money most prudently.



Bolster Value-Based Care in Medicaid

Devote higher Medicaid payments for cost-saving collaborations between physicians and Medicaid managed care organizations.

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. These innovative physician-MCO partnerships have contributed to Texas' flat Medicaid per-person costs. Over the past 10 years, Medicaid caseload increased 41 percent. Yet Texas Medicaid cost growth per person is less than half of the national average. Texas needs new state dollars targeted towards Medicaid physician services; otherwise, we will not be able to maintain innovative MCO-physician collaborations — and their cost-saving potential.



Target Other High-Need/High-Reward Areas

Direct the Texas Health and Human Services Commission (HHSC) to convene a Physician-Payment Advisory Committee to advise the agency on how best to distribute the funds to (1) reward innovative, value-based 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.



Establish 12 Months' Medicaid Coverage for Postpartum Women and Children

Direct HHSC to pursue a federal demonstration waiver to increase access to comprehensive services for low-income women before, during, and after pregnancy, including substance use treatment and behavioral health care. Federal funds could provide more consistent and continuous coverage for women of childbearing age and eliminate some of the confusing maze of support systems.

A Texas Department of State Health Services study found that 382 Texas mothers died within a year of giving birth between 2012 and 2015. More than half of these deaths occurred more than two months after the baby was born. Current Medicaid coverage ends two months postpartum.

Texas already provides 12 months' continuous coverage to children enrolled in the Children's Health Insurance Program, a recognized best practice for keeping children insured. Providing this coverage to children on Medicaid is the single most important step Texas can take to increase health insurance coverage among children.

