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RE: Recommendations for the HHSC 2022-23 Legislative Appropriation Requests

On behalf of the above-named organizations, which collectively represent nearly 53,000 Texas physicians and medical students, thank you for the opportunity to provide input on the Texas Health and Human Service Commission's Legislative Appropriations Request (LAR) for the 2022-23 budget.

Like you, our organizations are in the formative stages of developing legislative and budget recommendations for the 2021 legislative session. Thus, our recommendations will most certainly evolve over the next few months.

Of critical importance to our members is that our patients can obtain timely access to health care services, a goal we know HHSC shares. Yet for many Texans, this is becoming increasingly difficult to do. Despite a thriving economy, the number of Texans who lack health care coverage is on the rise, up from 16% in 2016 to 19% today. One in five uninsured children *in the country* live in Texas, though most are eligible for children's Medicaid or the Children's Health Insurance Program (CHIP). And among low-income women, 25% lack comprehensive health insurance coverage.

As organizations dedicated to improving the health of all Texans, we find these numbers alarming and troublesome. Decades of research show that the lack of health care coverage poses serious health consequences. Patients without coverage are less likely to receive cost-saving preventive, primary, or specialty care. Yet early identification and treatment of chronic illnesses like asthma, high blood pressure, or diabetes can greatly reduce the likelihood of serious illness.

Insured children are healthier children, missing less school and contributing to their future success. Insured parents miss less work, increasing economic productivity, a win for employers and the state economy. Insured women have healthier pregnancies and maternal and infant health outcomes.

All Texans benefit when their neighbors, colleagues, family, and friends have health care coverage. Given the importance of health care coverage in the everyday lives of all Texans, we implore HHSC to develop its LAR exceptional item requests with an eye towards increasing the number of Texans who have it. While health care coverage doesn't guarantee access to care, it undoubtedly paves the way towards timely health care services.

Recommendations for the HHSC 2022-23 LAR Exceptional Item Requests

➤ **Improve children's health outcomes by eliminating barriers to Medicaid and CHIP enrollment.**

- Provide children on Medicaid with 12 months' continuous coverage.
- Enact an enduring, robust outreach and information campaign targeted to families whose children are eligible but not enrolled in Medicaid or CHIP.
- Implement Medicaid eligibility simplification to eliminate red tape that keeps the eligible children of working families from getting and keeping coverage.

Rationale: Texas leads the nation in the number of uninsured children, an ignominious badge for a world-class state. Texas already provides continuous coverage to children enrolled in CHIP, a recognized best practice for keeping children insured. Providing 12 months' coverage to children on Medicaid is one of the single most important steps Texas can take to increase health insurance coverage among children.

Texas also can dramatically reduce the number of uninsured children by (1) reinstating a robust outreach and information campaign designed to educate Texas families whose children are eligible but not enrolled in Medicaid or CHIP about the benefits of health insurance for their children and how to enroll; and (2) revising outdated bureaucracy that keeps busy parents from timely enrolling or renewing their child's coverage, such as extending from 10 days to 30 days the timeframe for responding to a request for more financial information.

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

- Continue robust funding to the state's women's health programs – Healthy Texas Women (HTW) and the Family Planning Program (FPP), both of which provide women access to essential preventive health services, including annual well woman exams and screening, and basic treatment for common chronic diseases.
- Build upon soon-to-be enacted enhancements to HTW benefits by supporting implementation of comprehensive preconception and interconception care, including specialty treatment of chronic physical and behavioral health conditions.
- Seek funding to amend the state's eligibility system to allow automatic enrollment of young adult women aging out of Medicaid or CHIP into HTW. Auto enrollment will help to ensure continuity of care and reduce Texas' teen birth rate.
- Seek funding to increase from one to 4 the number of postpartum depression (PPD) screens a primary care physician or provider can be paid in order to improve early detection and treatment of PPD among new mothers.

Rationale: 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. Over the next biennium, the two programs together will serve an average of nearly 60,000 women each month.

Despite this encouraging trend, combined these programs still reach only a fraction of women in need. Funding for caseload should reflect the continuing and growing need.

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. HTW fills part of the gap, providing eligible women with access to important preventive health care and basic primary care services. Yet, HTW remains a very limited program, excluding coverage for most services, including subspecialty care. As a result, women in need of more specialized health care services, particularly for chronic conditions, may not be able to obtain care. Early identification, treatment, and management of chronic diseases before pregnancy is crucial to better maternal and infant health outcomes. Once a woman gets pregnant, it is much harder, and costlier, to manage a chronic condition. Or too late. For example, babies born to women with poorly controlled diabetes at the time of conception are more likely to have neurological, musculoskeletal, or cardiovascular defects, even if the woman obtained early prenatal care. While HTW covers screening and treatment for a few chronic diseases, the treatment is limited to prescription medications.

Comprehensive health care coverage post-pregnancy also is vital. In 2018, the American College of Obstetricians and Gynecologists (ACOG) revised its postpartum guidelines, referring to the period as the "fourth trimester" to recognize the important role comprehensive postpartum care plays towards the health of new mothers and their babies. According to ACOG, "*the weeks following birth are a critical period for a woman and her infant, setting the stage for long-term health and well-being. To optimize the health of women and infants, postpartum care should become an ongoing process, rather than a single encounter, with services and support tailored to each woman's individual needs.*"

Moreover, according to the state's own data, when women become uninsured after losing pregnancy-related Medicaid 60 days postpartum, they are more likely to suffer severe complications or to die from pregnancy-related complications. The majority of maternal deaths occur from 45 days to one year following delivery, with most being potentially preventable. Top medical conditions contributing to maternal death include drug overdoses, cardiac events, and suicide.

In 2019, Texas lawmakers earmarked nearly \$15 million to develop a limited, enhanced postpartum benefit within HTW – an investment strongly supported by our organizations to help improve postpartum care for this population. We urge HHSC to use these dollars as the building blocks for the development of a more robust women's health program in the next biennium.

Implementing HTW auto enrollment for young women who age out of children's Medicaid or CHIP will reduce Medicaid costs and reduce unintended pregnancies. In 2018, HHSC estimated that implementing HTW auto enrollment would save nearly \$60 million in Medicaid costs over five years after an initial nominal upfront cost. An estimated 70% of teen births occur among young women 18 to 19.

In 2018, Texas Medicaid began paying pediatricians, family physicians and other primary care providers who choose to provide postpartum depression (PPD) screening exams during one of the 7 recommended well-baby visits held during a child's first year of life. The current Medicaid benefit allows payment for one PPD exam. However, the American Academy of Pediatrics recommends paying for up to 4 exams because late-onset PPD may occur 6 months or more following delivery. Paying for additional screens when medically indicated will help to ensure women with PPD can obtain early intervention and treatment.

➤ **Improve availability of long-acting reversible contraceptives (LARCs) to ensure that women who want a LARC can obtain the devices the same day.**

- Increase outreach to inform women about women’s health programs and the importance of preventive health care throughout their lifespan.
- Eliminate administrative and financial barriers impeding physicians and hospitals from providing LARCs to patients who choose them.

Rationale: Our organizations applaud HHSC’s initiatives to increase LARC utilization as outlined in the recent *BluePrint for a Healthy Texas*. LARCs are the single most effective form of contraception, giving women the ability to better time and space pregnancies and thus control their own personal and professional destinies. Unfortunately, numerous operational, financial, and administrative barriers impede many women from getting LARCs if and when they want one. For physicians, Medicaid’s current “buy and bill” system often results in physicians purchasing LARCs at a higher cost than what the state pays for the device. While physicians can avoid this problem by ordering LARCs from a designated specialty pharmacy, that approach is not optimal either because patients cannot obtain a device the same day as their physician appointment.

➤ **Revitalize the Medicaid and CHIP physician networks to ensure low-income Texans’ timely access to health care services.**

- Increase Medicaid physician payments to be competitive with Medicare and commercial payers.
- Reinstate payment of the Medicare Part B copayments to the Medicare allowable for dual-eligible patients.

Rationale: Texas Medicaid fee-for-service physician payment rates – on which Medicaid managed care organizations also base their physician payments – are more than 20 years old and don’t cover the actual cost of care, in many cases paying only 50% or less of what private-sector health insurance plans pay for the same service. Low Medicaid physician payments contribute to higher health care costs for all Texans. As small businesses, 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.

Increasing Medicaid physician payments will foster faster adoption of innovative, value-based delivery models, models organized medicine supports because of their ability (when well designed) to help fulfill the state’s efforts to improve patient health outcomes while lowering costs. Moreover, ensuring a robust Medicaid physician network is critical to addressing Texas’ critical health care challenges, including improving maternal and child health; increasing the availability of mental health and substance use disorder (SUD) treatment; and strengthening rural, border, and underserved physician networks.

➤ **Allocate funds to ensure Medicaid patients diagnosed with hepatitis C receive lifesaving prescription medications at the outset of their diagnosis.**

Rationale: According to the Centers for Disease Control and Prevention, hepatitis C is one of the nation’s deadliest infectious diseases, affecting more than 2 million patients nationwide each year. Antiviral medications offer patients a potential cure, but the cost of medications has kept Texas Medicaid from making them broadly available. The National Viral Hepatitis Round Table grades Texas a D+ because it has one of the most restrictive hepatitis C drug prior authorization policies in

the country, meaning patients cannot obtain treatment before suffering advanced liver disease. While HHSC is currently evaluating options for expanding availability of cost-effective hepatitis C medications to more Medicaid enrollees, it is literally a matter of life and death that Texas pursue needed funds to provide early hepatitis C treatment to Medicaid patients in need.

➤ **Increase access to evidence-based community and crisis mental health and substance abuse services.**

- **Provide funding to enhance coverage for substance use disorder screening and treatment for postpartum women.**

Rationale: SUD treatment services are available to pregnant and postpartum women who are ineligible for Medicaid if they are indigent and meet the state's clinical requirements.

- **Provide funding to increase physician and provider education and awareness on what resources currently exist for SUD treatment.**

Rationale: Many physicians are unaware that Medicaid provides comprehensive SUD intervention, treatment, and recovery services for pregnant women or that indigent pregnant and postpartum women ineligible for Medicaid also may be eligible for services. Without knowing of treatment options, physicians may be reluctant to screen for SUD among their low-income pregnant and postpartum patients.

- **Provide funding to ensure SUD treatment providers can offer patients a comprehensive array of services, including medically appropriate medications to aid with SUD treatment.**

Rationale: Medication combined with counseling and behavioral therapies can help lessen cravings for addictive substances, thus improving the likelihood a patient will succeed in treating her disease. Yet SUD provider payments may not be sufficient to cover the costs of these medications, deterring their inclusion in a patient's care.

- **Provide funding to ensure chemical dependency treatment facilities are proactively connecting women to preventive and primary health services available via HTW and FPP and vice versa, including ensuring women receiving SUD treatment have timely access to the most effective form of contraceptives – long-acting reversible contraception – if they so choose.**

Rationale: Research suggests women with opioid disorders have significantly higher rates of unintended pregnancies. Yet women who are able to plan their pregnancies are more likely to get early prenatal care, have healthier pregnancies, and reduce their risk of having babies born too early or too small.

- **Provide funding to increase availability of tobacco cessation counseling and treatment for women enrolled in HTW and FPP.**

Rationale: Smoking while pregnant is a risk factor for maternal mortality and morbidity. Secondhand smoke also contributes to poor infant health, including respiratory infections, asthma, ear infections, and even sudden infant death syndrome. While pregnancy-related Medicaid covers smoking cessation medications, quitting smoking before pregnancy or afterwards is important to the health of mothers and babies. HTW should cover smoking cessation medications as well as counseling to help women quit before pregnancy or postpartum.

- **Provide funding to expand availability of the neonatal abstinence syndrome program (i.e., San Antonio Mommies Program).**

Rationale: The NAS program provides medication-assisted treatment for mothers with opioid addiction as well as support services to address opioid misuse. Once a baby is born, the program provides mother and baby clinically recommended treatment to address addiction. Studies indicate babies born with NAS have an average length of stay in a hospital of 21 days, but by providing clinical interventions for these mothers, the hospital stay can be reduced as much as half, saving Medicaid dollars. The NAS program also keeps children and mothers together, reducing need for children to be taken into protective custody.

- **Improve access to residential substance use disorder treatment as a means to help low-income Texans more effectively overcome SUDs.**

Rationale: For patients with substance use disorders, there is not a one-size fits all approach to treatment. Patients need access to a continuum of services – residential, detox, partial hospital, and intensive outpatient programs. Yet, for indigent patients, access to residential treatment remains extremely limited because of exceptionally low payment rates. Currently, Texas pays \$85 per day for eligible patients residing in a residential treatment facilities and \$58 for individual counseling sessions. Yet the facilities must provide an array of services for which their costs far exceed payments. Services include group and individual counseling, medical and psychiatric interventions, nursing care, case management, and discharge planning in addition to the costs to house and feed residents. According to the Association of Substance Abuse Programs, only 5.8% of Texas’ indigent patients obtain residential SUD treatment – far below the national level of 11%. Texas’ Coordinated Behavioral Health Strategic Plan cites the lack of accessible treatment as a significant service gap. Payments to residential SUD treatment facilities must be raised to help Texans suffering from addiction successfully manage their illness.

➤ **Further invest in an effective and responsive Early Childhood Intervention (ECI) program.**

- Request \$40 million to close the gap between the \$32 million HHSC received for its 2020-21 ECI exceptional item request and the \$72 million it requested.
- In the case that Texas’ Preschool Development Grant (PDG) is not approved by the federal government, request \$2.1 million in ECI funding that was requested as part of the PDG.

Rationale: Great strides were made in the 86th legislative session to provide much-needed funding to the Early Childhood Intervention program. Due to a historical lack of sufficient funding, 18 nonprofit ECI contractors have dropped out of the program over the past decade. However, demand for services remains high and increasing due to Texas’ growing child population. To build on ECI’s current efforts to serve families on a voluntary basis via telehealth for specified ECI supports, we encourage HHSC to request an additional \$2.1 million to expand ECI telehealth services. Utilizing telehealth models to deliver ECI services can maximize ECI providers’ capacity to serve children and increase family engagement, especially in rural areas of the state.

➤ **Alleviate the lengthy backlog of inmates with mental health disorders awaiting psychiatric forensic consultation, competency restoration, or court-ordered treatment by seeking funding for five additional forensic psychiatric fellowships.**

Rationale: Forensic psychiatrists focus on the interrelationship between psychiatry and the law (civil, criminal, and administrative). Their role is to provide psychiatric evaluations of individuals involved with the legal system as well as specialized psychiatric treatment for inmates or state hospital patients who require psychiatric competency restoration before standing trial. General psychiatrists often are

reluctant to work with these populations. Without increasing the supply of forensic psychiatrists, patients who require their services must await treatment unnecessarily, while courts and state hospitals must contend with backlogs. Moreover, forensic psychiatrists must assess and develop treatment plans for people referred for court-ordered jail diversion programs, yet there are too few specialty-trained psychiatrists to meet the demand. Increasing the number of psychiatric forensic fellowships to five will support the pipeline of psychiatrists with the expertise and ability to work in the state's criminal justice and state hospital systems and relieve backlogs of mentally impaired inmates awaiting assessment, treatment, or trial.