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HHSC should request authority from the Legislature to pursue amendments to the 1115 Medicaid Transformation waiver to create a coverage program for adults up to 133% FPL, which will draw in excess of 90% FMAP. This waiver could allow local/regional program designs, a funding stream that captures and builds on the current local IGT and LPPF contributions to fund the incremental cost, and would include sliding-scale co-payments and premiums.

The structure would allow Texas to draw back federal taxpayer funds to address, at minimum, the 8 challenges laid out below.

The state of Texas and our HHS Enterprise face a number of critical challenges in access to care and funding, and in which HHSC is actively engaged as is the Texas Legislature:

1. Maternal mortality and morbidity challenges;
2. Mental Health access issues, most acutely for uninsured adults;
3. Opioid, methamphetamine and other SUD/addiction crises and major access to care deficits;
4. Access to family planning;
5. Access to medical care before and between pregnancies;
6. Impending loss of certain UC and DSRIP funds;
7. Over 50% of Texas Medicaid hospital payments now being financed outside the state budget using local taxpayer funds rather than state GR; and
8. Potential ethical and legal problems with the current UHRIP structure that makes the level of Medicaid hospital reimbursement contingent on IGT/LPPF capacity, instead of a level statewide paying field driven by actual costs and quality of care.

The establishment of a coverage program for low-income uninsured Texas parents and other adults--a majority of whom are employed or have a working spouse but are uninsured—would create the funding and program design basis for establishing outcomes-based medical homes to improve maternal health, access to behavioral health services, access to substance use disorder treatment and recovery supports, along with many other key medical needs. These will be of particular value in dealing with maternal health, as drug overdose is the #1 cause of maternal death for women in the 42 days-1 year postnatal period in Texas.

A coverage program for adults will also allow Texas to adopt/ imbed a majority of the best DSRIP practices into the Medicaid Managed Care care benefit and delivery model, thus preventing the loss of those funds and services.

When a financing structure that builds on IGT and LPPFs to form a statewide financing platform for incremental costs of the coverage program is established, this will also eliminate the potential UC funding losses by creating a coherent and transparent funding structure that will eliminate the need for some supplemental payment types that are outside the state budget currently. The reduction in demand for 100% locally-funded healthcare in major urban counties may fully offset any increased IGT contributions. A responsibility for non-urban counties to contribute via IGT, LPPF or both may offset the current burden of urban counties serving as providers of last resort for the uninsured coming from suburban and rural counties.

Further, a unified statewide financing structure could resolve/avoid eliminate the current CMS concerns about unacceptable quid pro quos in the current UC funding scheme, and Medicaid advocates' concerns about inequitable access to adequate Medicaid hospital rates in the UHRIP scheme.