

To: Representative Matt Shaheen, author, HB 484
Human Services Committee Chair Frank and members of the Committee
Date: March 8, 2021
Re: HB 484
From: Every Texan (formerly CPPP), Anne Dunkelberg, Associate Director

The Benedictine Sisters of Boerne, Texas, founded Every Texan in 1985 to advance public policy solutions for expanding access to health care. Every Texan (formerly Center for Public Policy Priorities) appreciates the opportunity to provide these written comments on HB 484 by Representative Shaheen, relating to a direct primary care model pilot program for Medicaid.

Every Texan does not wish to begin our first hearing with this committee with formal opposition to a bill. Instead, we are submitting these comments detailing the provisions of the bill and pilot concept which we would hope to see in a bill we could support, and also detailing the changes that would be necessary to obtain approval from federal Medicaid officials.

Overview: Direct primary care (DPC) is a model typically targeted to higher-income populations who can afford to:

- purchase only high-deductible “catastrophic” health insurance,
- pay a monthly or annual fee to a doctor or group to provide “concierge medicine,” and
- Have additional disposable income to pay for services that are not part of the primary care fee, and for which the consumer is responsible under their high-deductible plan, such as prescription coverage, diagnostic test and procedures, access to specialty care.

This model is generally untested in Medicaid, and because it is designed for people with higher incomes, would require significant changes from the usual DPC model. Even with those changes, it would appear that 1115 waiver authority would be needed to pursue federal approval of a pilot.

Federal Issues

- The pilot must not cost the federal government more per person in the aggregate than the current standard Medicaid program (i.e., under Medicaid Managed Care in Texas) does.
- Out-of-pocket costs for adults cannot exceed 5% of family income.
- Out-of-pocket costs are not allowed for children or pregnant women.
- Waivers of these federal limits on cost sharing under Section 1115 are specifically disallowed under Title XIX of the Social Security Act.
- Any waiver must further the goals of Title XIX of the Social Security Act.
- Federal Medicaid officials may require physicians to be enrolled Medicaid providers.

Every Texan Policy Concerns for this Low-Income population

- The pilot design must ensure that all services not included in the DPC medical service agreement, but which are required Medicaid-covered services (such as diagnostics, medications, specialty care, hospitalization, family planning) would be fully covered by Texas Medicaid.

- Texas Medicaid enrollment is 75% children; most enrolled adults not over age 65 have disability-based coverage, followed by temporary coverage for pregnant women, and a very small group of extremely low-income parents (below about 17% of the federal poverty income). A pilot designed to meet the needs of Texas Medicaid adults would be best tested under a Medicaid expansion, when adults up to 138% of the federal poverty income line might be more likely to choose this model.
- Even if all design changes are made to protect beneficiaries, participation should be entirely voluntary with a right to return to standard Medicaid.

I look forward to visiting with Representative Shaheen’s staff and members of the committee on their plans for this bill. Thanks for your consideration.

Thank you. Questions may be submitted by email or text to Anne Dunkelberg, Associate Director, at Dunkelberg@everytexan.org; or 512 627 5528.

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