

## **CTN/CHIP Coalition Joint Meeting Minutes 4/15/2011**

Invited everyone from CTN and CHIP to come together to touch base on where we are on the state budget and share information/brainstorm on plans moving forward.

Rosie Valadez McStay- TX Childrens, Sandra Martinez-MHM, Paulette- Dallas Regional Chamber, Laura Guerra-Cardus-CDF, Sister JT Dwyer- Seton FOH, Bee Moorhead- Texas Impact, Aerin Toussaint- Texas Impact, Emily Shelton- TX Impact, Andrea Earl- Texas Impact, Selena Xie- Texas Impact, Kathy Eckstein-CHAT, Maria Huemmer-TX Catholic Conference, Morgan Sanders-MOD, Kendra Williams-MOD, Ann-Marie Price- Amerigroup, Allison Scott- Amerigroup, Brian Stephens-CPPP, Kymberlie Quong Charles-CPPP, Gabriela Saenz- CHRISTUS Health, Ashley Foster-TACHC, Jose Camacho- TACHC, Leticia Caballero- TXHCA, Stacey Pogue-CPPP, Mimi Garcia-TSEU, Sheree Coleman-HHSC, Blanche Rosas-HHSC, Michelle Romero-TMA, Tierra Thomas- Central Health, Cynthia Ramirez- insure a kid, Gina Perez-HHSC, Tina Pham- HHSC, Kit Abney Spelce, insure a kid,

### **Update on Budget Cuts**

**House Bill 1-** House added \$2 billion from the Rainy Day Fund, but still leaves the foundation school program 7.7 bill short.

For Medicaid- House added \$1.8 billion from the RDF to what conservatively was a 7.6 billion reduction. (The increase was for caseload.)

The House budget still includes the 10% across the board rate cut for all Medicaid and CHIP providers. Also still have a 4.2 billion hole they just didn't replace.

**Senate Bill 1-** Hospitals are facing 10% rate cuts in total, not on top of recent cuts. Sen Duncan rider calls for a statewide SDA for hospitals instead of re-basing the current system, of Medicaid hospital payments. Nursing homes keep the 3% cut they've already taken in 2010-2011 with no additional cuts. Senate is proposing to add no additional cuts for physicians, the same for community care. ICFMRs also take additional 2% cuts above their current 3%. Group uncertain re: Senate pharmacy rate proposal.

Senate adds back in about \$4.5 billion for Medicaid, but it is not clear at this point where that funding is coming from. Duncan's committee (looking for non-tax revenue) is not done with their work yet.

SB 1 will be voted out of committee Senate Finance on Thursday. Ogden has technical adjustments.

Fiscal Matters Bills- shopping lists of things that need to be put into statute for the budget to take effect. Long shopping list of program changes exist on top of rate cuts, etc. Also SB 23 plays a similar role for Senate art II "savings".

Senate and House BOTH have Rider 61, which requires \$450 million GR in Medicaid-HHS cuts, plus the Senate adopted another \$700 million GR rider Medicaid reduction entitled “federal flexibility.”

### **Hospital Riders in Senate Budget**

- Lots of riders adopted Thursday night they haven’t previously seen.
- 10% across the board rate reduction.
- HHSC shall develop a statewide SDA for all hospitals - \$31 mill savings.
- Rolling out managed care, protecting UPL: For Star Plus, if HHSC does not get the 1115 waiver, hospitals would be on the hook for providing \$29 million GR in savings for premium tax. If the waiver is not approved for Star another \$243 million GR
- Hospitals in total could be responsible for nearly \$800 million GR in Medicaid reductions.
- Would remove charge caps on UPL payments.- There are 23 hospitals that would lost \$10 million or more.
- Additional policy changes & reductions for hospitals are rolled up in Rider 61.

### **Revenue Options**

#### **Quality Assurance Fees**

HHSC contracted with Deloitte to run a basic model of a quality assurance fee on hospitals. The modeled QAF is 4.3% of gross patient revenues. QAF revenue would be used to replace rate cuts; so no new funding into the health care system. THA presently believes QAF is off the table for the current budget but not sure if the leadership is still pursuing it.

QAF discussions on the nursing home side: has been tried 3 times and each time Governor Perry has opposed. THCA does not support pursuing a nursing home QAF at this time, given that history. Right now, the Senate budget brings the nursing homes back to where they are today; House assumes at least 10% cut.

**Tobacco Endowment liquidation, public health liquidation.** Tobacco goes to public health districts and counties for uncompensated care. Tobacco settlement funds are used for state match for both CHIP and Medicaid.

CHAT- Created the attached list with everything that might be options for increasing revenue that people might want to start advocating for. Started with \$27 billion shortfall and worked down from there.

### **Next Steps – What are groups doing around budget and revenue?**

Six upcoming opportunities for messaging and calls to action around the budget:

- SB 1 gets voted out of committee
- SB 1 heard on the Senate floor
- Budget conferees named

- Conference report released
- House vote on conference report
- Senate vote on conference report

### **Kymerlie Quong Charles from TX Forward-**

- Texas Forward has a similar list of revenue options and how much they raise. Legislative committee is meeting today to update that list.
- TX Forward not only wants to address our current budget situation but also our ongoing budget struggles- the pie is too small.
- Platform is: spend rainy day fund, maximize all federal funds and create new revenue streams. Much of the focus at this point has been on the Rainy Day Fund, but since spending the RDF alone won't fix our current budget hole or structural the structural deficit, TX Forward is shifting focus to talk about revenue options and the structural deficit. They are currently grappling with good, simple language.
- Legislation- Sen. Ellis' bill that recommends a sunset process for the tax bill.
- Starting to do work throughout the rest of the state and taking the focus off Austin.
- Started working with the Progress Texas Institute, they suggested a communications calendar as a strategy for keeping up movement for the rest of the session. TX Forward agreed to get their partners to participate in making these days happen. One of these days will be health care focused, and TX Forward would like to work with CTN and the CHIP coalition to set that date and generate activities for it.

### **Bee Moorhead with Texas Impact:**

There are a lot of overlapping organizations that are all doing different types of planning and what to do around budget messaging.

#### 5 Categories

- 1) Legislators who are interested in doing a project where everyday in May they can introduce people in the gallery who are impacted by the cuts. We need people from all over the state willing to come on a scheduled date certain. Not just HHS but maybe a park ranger and DPS person too. Person might also do a short video explaining more about it, etc.
- 2) Local Events- having events that are outside Austin that can generate 2<sup>nd</sup> tier media. Places like Kerrville. Between 1-2 dozen people who can show up and hear a county-specific briefing and do a small activity.
- 3) District visits- Lots of people interested, can we put coalitions together.
- 4) Calls to Action/Network Activation- MHM/TX Impact have set up an 800 number in the past to track targeted calls, etc.
- 5) Inside Baseball- Make sure everyone knows what is actually going to happen.

The message and ask: Focusing on local events- local people aren't going to be happy with this budget's impact on their community. Calling attention to the

damage has been the main focus rather than coalescing around any particular revenue strategies.

Over the past weeks there have been an increase in stories about cuts, but a decline in linking those cuts to what is happening in Austin right now. The connection needs to be made that the local representative is the one making the decision.

#### **Mimi Garcia-TSEU**

- Trying to get local county courts or city councils to pass resolutions on the impact of budget cuts to the local economy. Local economic impact of both of hit to state employees and reduction in services they provide.

#### **Laura Guerra-Cardus with CDF**

- Will participate in an upcoming health care “calendar day” with Texas Forward.
- Plans to send out a budget impact flyer and will have next action alert when the conferees are announced.
- Exploring doing short YouTube videos, etc. that explain the budget and cuts that will fit into what AFT and TX Forward are doing.
- Also starting to think about the likely special session and what people’s mobilizing activities will be. Interested in bringing people to Austin on a coordinated day in special session. (related discussion: It doesn’t seem like there will be a special session on the budget at this point. Possibly special for redistricting).
- Producing a bi-fold that pulls together what our allies like the business community, academics, county and local leadership that summarizes their positions. Metro 8 chambers is supporting this effort.

#### **Next Steps for CTN/CHIP Coalition:**

We should have a conference call when conferees are named to plan next steps.

CPPP will get back with Kymberlie, etc. to see if May 3<sup>rd</sup> will work for Texas Forward’s healthcare-focused calendar day.

#### **CHIP Perinate Discussion-**

TMA was getting calls that babies were going several months before being able to be enrolled in CHIP Perinate. Changes have been made that will hopefully resolve the continuing backlog and TMA is concerned with the lengthy transition process. Gina Perez- there are some issues but we have made improvements. (how we receive 3038s, etc.) HHSC has contact information for providers when they have troubles. Staffing changes have been made.

Insure a Kid sends their 3038 FAXES individually but need to disable the feature that combines all of them as one document. This is helping cause backlog.

Can we not scan and send individual PDFs? HHSC doesn't have that functionality right now.

When a baby is born with the CHIP perinate program, is there a gap analysis for how many of them end up showing up on Medicaid?

The only way hospitals get paid is if the 3038 gets submitted. The mother does nothing it's just a doctors signature.

Certain services can't be accessed for newborns who are waiting for a Medicaid number: providers will not provide pharmacy or medical equipment.

If the vast majority of these women are going to be certified eventually under 3038, isn't there a way to create a temporary program for the baby based on presumptive eligibility? Pediatricians are on the hook waiting- we want to make sure these babies get preventive care and doctors aren't worried about being on the hook.

HHSC will look at providing a temporary number as well as changes to presumptive eligibility?

### **New Application Forms**

Might seem very off-putting to mixed-status families. The new application is more confusing for both families and outreach workers.

The voter registration and disclaimer are federal requirements.

We can possibly look at the process of engaging some external stakeholders, etc.

You may submit in writing any comments you have on the application - send to Gina Perez.

**(Sister JT is preparing written comments that she will circulate to the group for consensus before submitting to Gina)**