CPPP Center for Public Policy Priorities | Testimony

March 17, 2011 | 82nd Legislature | House State Sovereignty Committee

TESTIMONY:

House Bill (HB) 1008 BY LEWIS

The Center for Public Policies (CPPP) is a nonpartisan, nonprofit 501(c)(3) policy institute established in 1985 and committed to improving public policies to better the economic and social conditions of low- and moderate-income Texans. Improving access to health care for Texans has been at the core of our mission and activities since our founding. The Center for Public Policy Priorities wishes to register in opposition to House Bill (HB) 1008

- HB 1008 raises most of the same legal questions as HB 5 regarding the proposed novel use of an interstate compact in this manner, and the proposed method of withdrawal.
- The language in Article II does not provide an adequate guarantee of protections for current beneficiaries and covered populations and services. States only have to "substantially" use the funding for health care, which implies supplantation is allowed and no stability of coverage is required.
- Article I describes flat funding for 2012-2015, presumably allowing for no growth in the number of Texans served, and no provision for inflation.
    - The state could choose the highest federal amount for the years from 2008-2011, which would be 2010 or 2011 at $19.0 to $19.5 billion for Texas.
- The bill language gives no indication of what becomes of the compact or health care for Texans with disabilities, and poor children and seniors in 2016?
- No minimum standards for the states are required. We would respectfully observe that prior chapters in U.S. history suggest that minimum standards play a critical role in our democracy—such as civil rights, and voting rights.
- The bill offers no solutions for the 6.4 million uninsured Texans, or even the 1.5 million or more uninsured U.S. citizens below poverty in Texas, mostly adults.

Texas Medicaid spending Trend per Client

	Cost per Client	$/Client Adjusted for Inflation	
1996	$3,730	$6,027	5.6%
1997	4018	6,372	5.7%
1998	4474	6,993	9.7%
1999	4846	7,314	4.6%
2000	5155	7,455	1.9%
2001	5535	7,766	4.2%
2002	5729	7,872	1.4%
2003	5600	7,388	-6.2%
2004	5165	6,549	-11.3%
2005	5351	6,383	-2.5%
2006	5595	6,339	-0.7%
2007	5712	6,132	-3.3%
2008	6201	6,303	2.8%
2009	6404	6,535	3.7%
2010	6522	6,522	-0.2%
2011	$6,767	$6,767	

SOURCE HHSC and LBB data

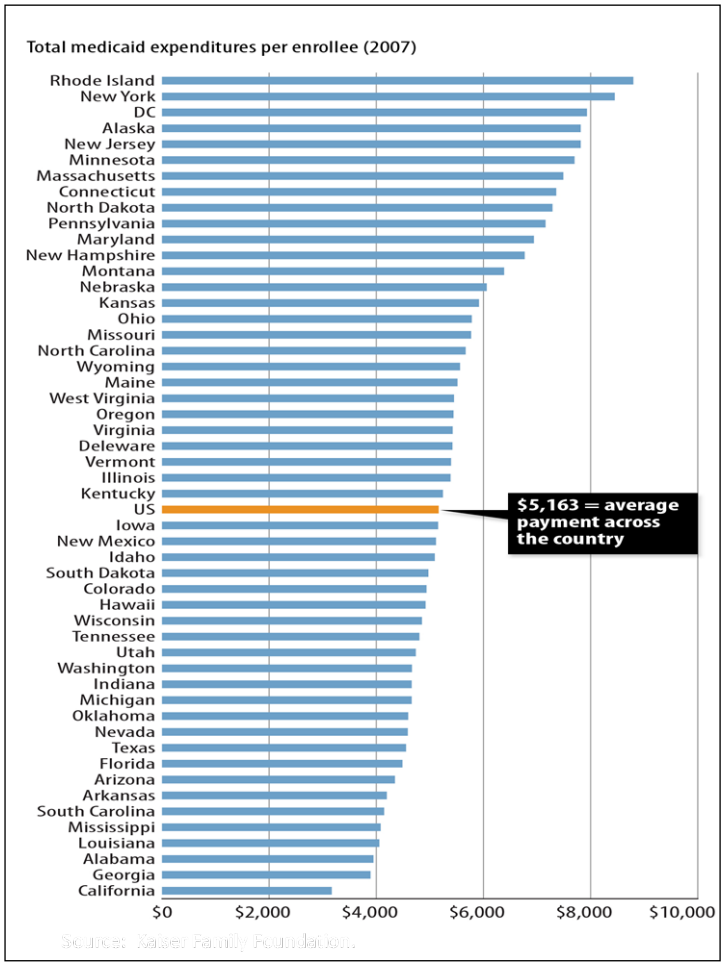
- Texas Medicaid cost per enrollee data from HHSC and the LBB show that our inflation-adjusted cost-per-enrollee today is actually lower than it was a decade ago (see table) Enrollment growth, not "runaway spending" is driving Texas Medicaid costs.

- HB 1008 would lock Texas in at our low spending per enrollee, with no provision for recessions or disasters, see chart below.

- **Medicaid is NOT uniquely troubled by rising care costs:** The Congressional Budget Office reports that growth rates for Medicare, Medicaid, and "All Other" (private insurance and self-pay) U.S. health spending have consistently outstripped GDP growth since 1975. Medicare logged the highest cost growth in excess of GDP, and Medicaid "tied" with "All Other" U.S. health spending over that entire period, despite having grown at a much slower rate than the rest of the system since 1990.

- Texas Medicaid provides health care and life-saving supports for 70 percent of Texans in Nursing Facilities, virtually 100 percent of Texans with Intellectual Disabilities and other serious lifelong or childhood-acquired disabilities, 55 percent of Texas babies, 2.5 million kids (3 million with CHIP), and community help to keep 100s of thousands of seniors and Texans with disabilities out of institutions

- Texas must not replace a program that while admittedly flawed, is doing its job, with a pig in a poke.



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