

HEALTHCARE FACTSHEET

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BETTER
TEXAS™

PROPOSED STATE BUDGET
PART FOUR IN A FIVE PART
PRIMER SERIES

Budget Bills Short on Health Care for Texans

The Texas House and Senate have adopted two different budget bills, and a conference committee has begun to work out a compromise budget.

Medicaid and CHIP

Over 4 million Texans—3 million children and 1 million seniors, adults with disabilities, expectant mothers, and very poor parents—get the health care and community supports they need from Medicaid or Children’s Health Insurance Program (CHIP). For more background on Medicaid and CHIP, see [Part 2 in our Primer Series](#).

Paying our Care-Givers

- The Senate and House would cut the fees paid to some health care providers in Medicaid and CHIP.
- But the Senate’s version of the budget makes fewer and smaller cuts for most health care providers than the House budget.

Medicaid and CHIP payments to health care providers are usually lower—sometimes MUCH lower—than what private insurance or Medicare pay. The more Texas cuts back on those rates, the harder it will be for CHIP kids and kids and adults on Medicaid to find a doctor, dentist, community attendant, pharmacy, nursing home, or hospital. And cuts as deep as the House budget makes will cause some providers to go out of business.

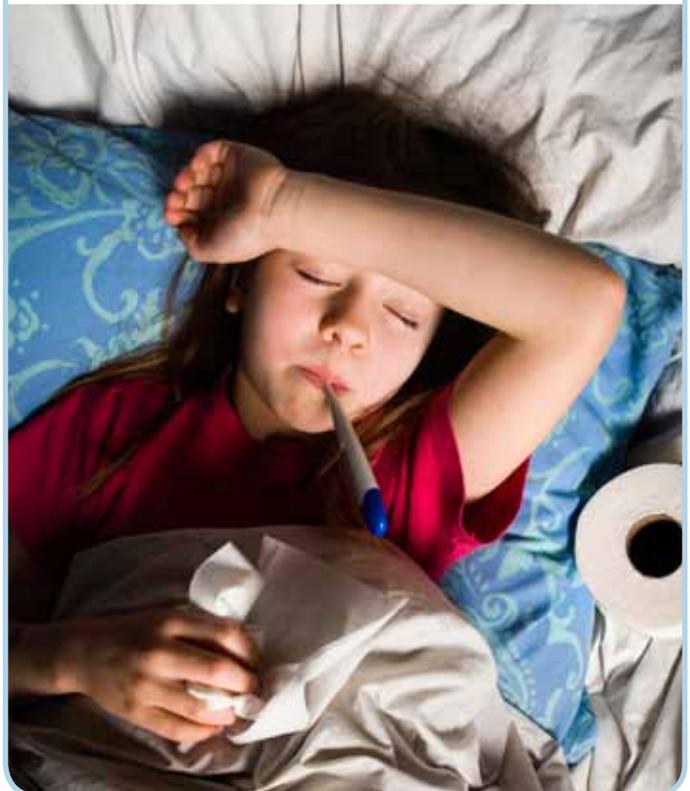
101 Ways to Cut Costs

Both Senate and House budgets also count on a long list of cost-cutting policy changes to bring down the price tag for every kind of health care program. These range from putting more Texans into HMO-style managed care, to higher co-payments, to cutting back on certain benefits, such as covering fewer visits for some therapies, or paying less for medical supplies, eyeglasses, or hearing aids.

THE BIG PICTURE

Both chambers provide less money for Texas health and human services than was budgeted in 2010-2011.

But the Senate’s version of the budget provides substantially more money for health care and social services than the House version.



Both budgets also target Medicaid and CHIP hospital costs in a number of different ways, including one of the highest rate cuts (an 8 percent rate cut, to be added to a 2 percent cut already taken during the current 2010-11 state budget), and proposals to completely re-work the way hospitals are paid.

Some of these cost-cutting ideas have the potential to go well, and achieve savings without hurting the vulnerable; or they also can go badly. Concerned Texans will need to stay tuned!

Mental Health

Our state ranks 49th in mental health funding per Texan at \$34.57 a year—only about a third of the national average.

The House budget would cut back mental health services in the community for adults and children, and reduce funding for care and repairs to mental health hospitals. These cuts are more than \$239 million.

But the Senate's version of the budget holds the line at 2010-11 funding. While this does not allow for population growth or inflation, it is far better than the House budget.

Inadequate resources for mental health care drive up costs for law enforcement, jails, and emergency rooms, and negatively affect the safety and well-being of our families, schools, and communities.

Family Planning

Family planning is critical to reducing several Texas challenges: high and growing rates of pre-term births, births too close together causing medical risks for the newborn, and births to unmarried teen moms. When more than half of all Texas births are unplanned, maintaining family planning services is essential in making sure this number does not grow.

The House budget cuts family planning to just one-third of the level in the current 2010-11 budget.

The Senate's funding for family planning services, while reduced 11 percent from 2010-11 levels, is far better and should be maintained.

Making sure all Texans have access to the tools to plan the timing and size of their families is critical to promoting healthy infants. It is also a critical to reducing poverty, building equal economic opportunity, and allowing Texans to realize their full human potential.

Big Medicaid Gaps to Fill in 2013

The House and Senate are counting on being able to fill large gaps in the Medicaid and CHIP budgets in 2013 when they come back for the next regular legislative session. They hope that a recovering economy will fill the state's bank accounts to cover any short-funding for these programs. Or if there is not enough new revenue, they could pull from the Rainy Day Fund—so far they have only agreed to spend about one-third of that savings account which was created specifically to deal with these economic downturns.

Concerned Texans should understand that the way both chambers have written their budgets leaves no doubt that a large supplemental appropriation will be needed for Medicaid and CHIP in 2013.

We Can Do Better!

Texas needs to hold firm and demand at least the Senate's health and human services budget. But we need to remember that this Legislature has better choices. The Legislature could take a balanced approach to the budget—one that includes cuts, but also uses much more of the state's Rainy Day Fund and adds significant new revenue, such as closing corporate loopholes and raising revenues in ways that make Texas healthier.

Acknowledgement

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CPPPP

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