

CODE RED

THE CRITICAL CONDITION OF HEALTH IN TEXAS

CODE RED: THE CRITICAL CONDITION OF HEALTH CARE IN TEXAS

The report of the *Task Force on Access to Health Care in Texas: Challenges of the Uninsured and Underinsured* was issued April 17, 2006, at a press conference and public symposium at the James A. Baker III Institute for Public Policy at Rice University. The Task Force represented a nonpartisan group sponsored by all 10 of the major academic health institutions in Texas, including Baylor College of Medicine, Texas Tech, Texas A&M, North Texas, and the six health institutions of The University of Texas System. Task force membership included representatives from large and small employers in Texas, hospitals, medical schools, health policy experts and community/business leaders. The Task Force collected data, identified and assessed the magnitude of the problem of the uninsured in Texas, and made recommendations for consideration by policymakers. The resulting report, summary and appendices are evidence-based and was peer reviewed by independent experts.

FINDINGS OF THE TASK FORCE

- Overall health condition of Texans is poor
 - Texas has the highest percentage of uninsured in the U.S.
 - Texas cannot sustain the continued rise in Medicaid and state/county health care expenditures
 - Current trends in delivery of health care in Texas will inevitably exacerbate current problems – overdependence on emergency rooms for accessing primary care for the uninsured is the most expensive means of delivering care
 - Expansion of ambulatory (outpatient) services is an essential, more cost-effective means of health care delivery
 - Strategies that both control the cost of health insurance and ensure the most cost-effective delivery of health care access for all Texans are needed
- Texas has not taken full advantage of available federal matching funds to reduce the burden of providing health care for the uninsured
- The current county-based approach to delivery of health care in Texas is inadequate, and inequitable
- There is a significant shortage of health care professionals in Texas – professionals that could reduce the cost of delivery of care to all Texans
- Care for people with mental illnesses remains a major problem for Texas

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RECOMMENDATIONS OF THE TASK FORCE

Recommendation 1

Texas should adopt a principle that all individuals living in Texas should have access to adequate levels of health care.

Recommendation 2

Texas should provide more resources and aggressively seek more efficient and effective methods to support health care to the indigent and uninsured with the goal of reducing rising health care costs.

- Texas should move from a county-based to a regional/multi-county based health district model for delivery of indigent health care; Texas should increase the statewide federal poverty level for indigent care responsibility in Texas counties from 21 percent (current level) to 100 percent
- Texas should aggressively pursue Medicaid and other federal reimbursement and matching programs to generate additional resources that may be applied to indigent care needs
- Texas should adopt tax policies and other incentives to encourage and enable employers to provide health insurance for employees
- Texas and its political subdivisions should allow preferential treatment to contractors/subcontractors who offer employee health care coverage
- Texas should seek support from federal officials to maximize state opportunities for new initiatives, providing the most efficient delivery of health services to uninsured Texans

Recommendation 3

A “Quality Assurance Fee” of 3% should be assessed on revenues of all hospitals and free standing surgery centers in Texas in order to obtain a federal match to enhance overall finances for provider reimbursement and the quality and efficiency of health care

- 3% fee will produce about \$1.1 billion in available state general revenue
- Federal match of the state quality assurance fee revenue will provide nearly \$1.7 billion in state general revenue
- 35 states currently have quality assurance fees or provider taxes
- Collected fees and federal match dollars used to reimburse hospitals at higher Medicaid rates would reduce the need for disproportionate share hospital program dollars which could then be used for:
 - Electronic health records
 - Increasing Graduate Medical Education funding
 - Additional graduate medical residency programs
 - Increasing ambulatory care/disease management
 - More medical facilities contributing to the cost of care of uninsured

Recommendation 4

The state should significantly increase its capacity and commitment to conduct experiments in health care delivery and funding (e.g. 1115 Waivers for R&D projects, funding pools, employer subsidies), including:

- Adoption of 3-share subsidy programs for employees of small employers (fewer than 50 employees), where the employer, employee and government share equally in the cost of premiums
- Improving the quality and efficiency of care for the uninsured and underinsured through collaboration with communities to educate and inform users on access to health system
- Clarifying state and federal law to permit referral from emergency room to non-emergency ambulatory care sites where access is assured

Recommendation 5

The concept of “virtual care coordination” for the uninsured (including them in a structured and connected system of care) should be developed by local communities and by the Texas Health and Human Services Commission.

Recommendation 6

Health care institutions and other providers must contribute to increasing community based ambulatory care, which includes integrating the latest developments in disease management and other cost effective models of health care delivery that seek to improve the quality of patient care while decreasing the cost of care. Behavioral health (both mental health and substance abuse) services should be accessible to all Texans with mental illness and additional public funding should be appropriated.

Recommendation 7

Texas must increase investment in the education and training of health professionals who will provide a significant amount of care to the uninsured and underinsured, including:

- 600 more medical residents per biennium for 10 years
- 2,000 more nursing students annually and 200 additional nursing faculty
- Additional general revenue for formula funding to increase nursing students and faculty
- Increase the number of physicians annually graduating from its medical schools by 20 percent over the next decade.
- Expansion of medical school repayment programs for up to 500 physicians a year for graduates working in Texas
- Provision of student debt forgiveness for each year of service in a public hospital or clinic treating 50 percent or more Medicaid and uninsured patients
- Ensure that each physician practicing in Texas provides a fair and reasonable amount of care for Medicaid, Medicare and uninsured patients and share in emergency room “on call” responsibilities
- Continue to provide state resources to assist community health centers to qualify for federal support designation as federally qualified health centers delivering care

Recommendation 8

Implementation of an integrated approach to school health including an emphasis on nutrition, exercise, dental health and disease management of such problems as asthma. Expansion of the School Breakfast Program, increase of physical activity requirements to 60 minutes a day in Texas schools, and adoption of asthma management education for affected school children and support staff will improve the health of Texans.

Recommendation 9

Academic health institutions, state and local governments, and communities, foundations and the private sector should support the development of health science research programs to study cost effective health care and other characteristics of a high quality and efficient health system.

Recommendation 10

Texas should adequately invest in public health programs, including research and community health, at the state and local level.

CONCLUSION

Now is the time for Texas to take *bold steps* to address the problems associated with the lack of health insurance coverage and health care access to protect and assure the economic vitality and the health of the state. Properly implemented, these Task Force recommendations will improve the health of patients, families, institutions and communities while reducing the rise of health care costs that affects all Texans.

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TASK FORCE ON ACCESS TO HEALTH CARE IN TEXAS

WHO ARE THE UNINSURED IN TEXAS?

- 25.1% (5.6 million) of Texans are without health insurance, the highest in the nation
- Nationally, 15.7 % (46 million) Americans are without health insurance
- 79% of uninsured Texans work or have a working family member
- Texas is a state of small employers
 - Over 70% of all Texas businesses are small employers, with fewer than 50 employees
 - Only 37% of small employers offer health insurance benefits to their employees
 - Only 35% of these employees actually enroll in insurance plans, primarily because of the lack of affordable coverage
- 76-82% of the uninsured in Texas are U.S. citizens
- Non-citizens constitute 18-24% of the uninsured in the state
- 68% of non-poor uninsured Texans are White, non Hispanic individuals

WHY ARE SO MANY TEXANS UNINSURED?

- The average cost of health insurance premiums (\$9,100 annually) is almost half of the federal poverty limit
- Most adults do not qualify for Medicaid in Texas
- Texas Children's Health Insurance Program covers children in families that earn less than 200% of the federal poverty level, but does not provide coverage for adults

THE RESULT?

- 2,500 uninsured Texans die prematurely each year
- 1 million uninsured Texans do not receive adequate care for their chronic diseases
- 3 million uninsured Texans are less likely to seek and receive preventative and screening services that minimize more costly medical care later
- 5.6 million Texans are continuously without medical insurance throughout the year
- 8.5 million Texans will go without insurance at some point of the year
- Medical expenses are the single biggest reason for personal bankruptcies among Texans
- Poor health interferes with educational attainment and employment, which results in a costly drain on community hospitals and emergency rooms
- The responsibility of providing health care to the uninsured or underinsured increases the cost of health care and health benefits borne by individuals and businesses who have health insurance
- The tax burden borne by local constituencies is greatly increased to provide health care

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