

Through several of the most difficult years they've faced in their history, Texas hospitals have continued operating around the clock, fulfilling the requirement to care for all Texans with emergency conditions regardless of the patient's ability to pay.



They've done it through a time of financial and operational challenges, in an increasingly regulated environment, with ongoing threats to the viability of patient care. Today, Texas hospitals continue to be in need of resources to replenish their workforce pipeline, care for the state's most vulnerable patients in Medicaid, increase access to coverage and care, and improve the breadth and capabilities of behavioral health care, among other needs.

Here are the 2025 state policy priorities for the Texas hospital industry:

1. STATE BUDGET



- Ensure state funding of hospitals in Medicaid is closer to the cost of care, based on a review of rates performed by the Texas Health and Human Services Commission.
- Ensure continuation of Medicaid reimbursement add-on payments for trauma, safety-net and labor and delivery, including the rural add-on for labor and delivery care.
- Maintain funding for the state's trauma care network to ensure Texas hospitals' participation in this critical and voluntary program.

2. FINANCIAL STABILITY



- Support stability and maintenance of supplemental Medicaid payments to help cover billions in unreimbursed costs, and ongoing preservation of the Medicaid 1115 Waiver.
- Support statewide reauthorization and use of local provider participation funds to finance Medicaid hospital programs, defray uncompensated care costs and support access-to-care projects established under the Medicaid 1115 Waiver.
- Oppose decreases in hospital reimbursements, including through the use of site-neutral payments and/or any proposals amounting to government rate-setting in the private health care market.
- Oppose any attempts to curb or ban hospital outpatient payments – also known as “facility fees” – which cover all costs of care aside from professional services fees.

3. WORKFORCE



- Support efforts to clear the bottleneck in the state's nursing workforce training pipeline with robust funding for the clinical site nurse preceptor grant program established by Senate Bill 25 in the 2023 legislative session.
- Increased state funding for physician, nurse, behavioral health and allied health professional education, training, retention and loan repayment programs to address severe workforce shortages and help care for a growing population.
- Support strategies to bolster workplace safety, building on the gains made during the 2023 legislative session to prevent and address workplace violence.

4. HEALTH CARE ACCESS AND COVERAGE



- Support efforts to increase the number of Texans with comprehensive health insurance.
- Support continuation of Texas' existing strongest-in-the-nation charity care law requiring hospitals to meet stringent community benefit standards.
- Support streamlining the enrollment process for children to avoid redundancy in data collection, reduce administrative burden for both state eligibility workers and families, and improve enrollment for eligible children.

5. BEHAVIORAL HEALTH ACCESS



- Support funding to address behavioral health needs.
- Support Medicaid coverage for adult behavioral health inpatient care beyond 15 days through a state waiver allowing removal of the federal prohibition on payments to “institutions for mental disease” for most adult inpatient care.
- Support adding intensive outpatient therapy and partial hospitalization as required Medicaid benefits to improve the continuum of care and reduce hospital readmissions.
- Increase state funding to ensure timely and appropriate access to inpatient and outpatient community-based services and supports for Texans with a behavioral health diagnosis.

6. REMOVE RED TAPE LIMITING ACCESS TO CARE



- Support payer policies that improve patient access to care and reduce red tape, including limits on prior authorizations and care location policies.
- Support measures that remove overly burdensome utilization review policies, ensure robust insurance networks and strengthen access to and payment of emergency room care.
- Support patient access to price transparency data and meaningful quality data for all health care providers.
- Increased payer accountability in contracting and payment policies, provider relations and network adequacy.

7. PUBLIC HEALTH & EQUITY



- Support expanded resources to allow the state and Texas hospitals to respond to current and future pandemics, natural and man-made disasters, and emergencies, a need reinforced by the emergence of Hurricane Beryl in July 2024.
- Support policies and legislation that address documented health disparities in access, morbidity and mortality, particularly among racial/ethnic minority groups and those of lower socioeconomic status.
- Support a strong public health system in Texas to build a strong workforce and decrease acute health care needs.