



February 6, 2019

Testimony to the Senate Finance Committee

The Texas Association of Community Health Plans (TACHP) represents the 12 managed care organizations (MCOs) established by public and non-profit health systems in Texas. Our companies are not publicly traded, nor do they have out-of-state corporate offices. TACHP MCOs employ Texans and keep taxpayer dollars in Texas. Our health plans cover over two million Texans, and collectively serve all 254 Texas counties. We are committed to supporting and improving the health of Texans living at low and moderate incomes. Our membership includes:

Public Hospital Health Plans	Children’s Hospital Health Plans	Non-Profit Hospital Health Plans
Community First	Children’s Medical Center	FirstCare
Community Health Choice	Cook Children’s	Scott & White
El Paso Health	Dell Children’s	
Parkland	Driscoll	
Sendero	Texas Children’s	

We are proud of the successes of the Texas Medicaid managed care program, which is one of the best in the country. The efficiencies of the Medicaid managed care model were highlighted in the Rider 61 report. The MCOs have saved billions of dollars since 2009 for the State of Texas (\$5.3 to \$13.9 Billion as reported in Rider 61). MCO net revenue (profit) and administrative expenditures are both capped, and the percentage of expenditures on direct patient care at 90 percent is higher than most states.

TACHP health plans are anchored in communities across Texas and have strong connections with community-based providers, which results in the high level of satisfaction experienced by network providers and members. We are state leaders in providing quality healthcare as reflected in our quality scores on a range of metrics.

TACHP has four key requests for the Senate Finance Committee. The state’s positive revenue outlook is an opportunity to make investments this legislative session to improve the healthcare of Texans.

- 1) We appreciate the Senate’s support for a supplemental appropriation that will provide HHSC with the funds needed to pay its bills through the end of the biennium, and are confident the Senate will include the August 2019 monthly capitation to Medicaid/CHIP MCOs which was not included in the FY 2018-19 budget;
- 2) TACHP is opposed to carving out of any service or population in managed care. Carve-outs and opt-outs would fragment care, make the system inefficient, and cost the state. We are particularly opposed to any carve-out of pharmacy services or children in the STAR Kids program. We are committed to working with HHSC to address any issues, and strongly believe we must stay focused on improving integration of services within managed care.



- 3) TACHP wholeheartedly supports a change in the determination of Medicaid eligibility for children to guarantee a 12-month continuous eligibility period. Texas has the highest uninsured rate for children, in part because of the onerous processes that are in place for families to continually verify their income. Most children in CHIP already have 12-months of guaranteed eligibility. These families are at higher incomes than families in Medicaid. The current system that creates hardship on our poorest families and denies healthcare services to Texan children must be rectified this legislative session.
  
- 4) We also strongly support a 12-month extension of Medicaid coverage for postpartum women, who currently only receive two months of coverage after delivery. This is a key strategy in tackling maternal mortality in Texas. It is also important from a fiscal perspective to ensure women have access to healthcare resources to better plan and/or delay any future pregnancies. The Texas Women's Health Program is available for family planning once a woman loses her eligibility, but we have found women do not readily access that program's benefits and are convinced they would have better access to services if they remained enrolled in Medicaid.

Thank you for the opportunity to share these recommendations with you. TACHP looks forward to working with you during the legislative session.

Kay Ghahremani  
President and CEO  
[kay.ghahremani@tachp.org](mailto:kay.ghahremani@tachp.org)  
512-744-3735