

**Senate Committee on Health & Human Services**  
**TACCHO Testimony for Senate Bill 73**  
**March 17, 2021**

Good morning Senator Kokhorst and members of the Committee. Thank you for the opportunity to provide comments regarding Senate Bill 73.

My name is Stephen Williams and I am the Director of the Houston Health Department. I chair the SB 969 Public Health Funding and Policy Committee and I am Advocacy Lead for the Texas Association of City and County Health Officials on issues related to Medicaid and the 1115 Waiver. The Healthcare Transformation Waiver Team has made progress and developed three potential DSRIP transition programs to support Local Health Departments (LHDs):

- Directed Payment Programs which will allow Managed Care Organizations (MCOs) to make payments to LHDs to support specific overall Medicaid program goals and objectives.
- Uncompensated Care which reduces the actual uncompensated cost of medical services provided to uninsured individuals.
- Public Health Prevention, Coordination and Monitoring which would establish cost reimbursement methodology for services provided for Medicaid clients that are not already covered through claims reimbursement.

However, even with the implementation of these programs, there are still challenges that impede the ability of LHDs to receive reimbursement for services rendered.

I support Senate Bill 73 because it is crucial for LHDs in Texas to receive reimbursement from MCOs for services that health departments currently provide to Medicaid recipients. While this designation will help, LHDs must have executed contracts and be considered in-network to fully maximize reimbursements. There are significant contracting challenges with MCOs and I hope Senate Bill 73 will be the first step in MCOs being more intentional with contracting with LHDs.

Public Health departments have traditionally been a provider of services to Medicaid clients. However, the transition from a traditional Medicaid model to Medicaid Managed Care has presented significant barriers to full participation by LHDs. In the current Medicaid environment, MCOs have been required by HHSC to

reimburse several provider types (such as schools of Optometry) for services provided to Medicaid recipients and to attempt to contract with LHDs.

Our experience has shown that even when services are covered by Medicaid high risk populations continue to seek services through LHDs primarily due to access issues. Without Medicaid reimbursement, these services are supported through local dollars only.

Recognizing LHDs as a provider type would allow health departments to be reimbursed for services that are already funded through the State's Medicaid program. This recommendation would not require additional Medicaid funding but would simply allow LHDs to access these funds and be reimbursed for services that they are providing and for which they are not being reimbursed.