

PUBLIC COMMENTS

HB 457

HOUSE COMMITTEE ON WAYS & MEANS

Hearing Date: March 8, 2021 10:00 AM

Gil Robinson, Dr.

Self, physician

San Antonio, TX

As a physician who participated in Texas' Medicaid program and who has discussed the Medicaid program with other physicians, I can state that participation can be difficult and low reimbursement can cause a practice to lose money caring for Medicaid patients. I can unequivocally say that I have heard of doctors who will see a few Medicaid patients gratis as their resources permit. My hope with respect to this bill is that this local option for a county to give a credit on homestead property taxes will enable more physicians to provide indigent care with a minimum of negative financial impact on their practices. I suggest the most direct bookkeeping method for both counties granting an exemption and physicians who participate would be for the physician to submit a tabulation of charges not submitted for counties to use in granting the property tax exemption.

Troy Alexander

Texas Medical Association

Austin, TX

The 55,000 physician and medical student members of the Texas Medical Association sincerely appreciate Rep. Shaheen for offering this legislation and for Chairman Meyer and the committee for conducting this public hearing.

For centuries, physicians have provided free or reduced-price care to patients who needed their medical services but could not afford to pay for them. This has been compounded by the enduring COVID-19 pandemic, which saw more than a million Texans lose jobs and health insurance over the past year. This confluence of tragedies has greatly increased the need for physicians to provide charity care since Medicaid is not available for most Texans. However, as profit margins shrink, so does the physician's ability to provide free care.

In some cases, these are voluntary acts of charity. In other instances, physicians provide care first and inquire about ability to pay later, as mandated by federal Emergency Medical Treatment and Labor Act (EMTALA) laws. Physicians who provide charity care are providing a service that is valuable directly to the patient and indirectly to Texas taxpayers. In outpatient settings, for example, providing good ambulatory care can prevent bad outcomes that could become costly inpatient care at taxpayer expense. Few real options are available that address this problem head-on. There is no federal tax deduction for the value of donated personal services. Texas' franchise tax deduction for charity care, though potentially helpful to large or incorporated groups, provides little or no benefit to physicians in solo practice, simple partnerships, or other small practices.

While we take no formal position on this legislation, we recommend that lawmakers focus on actions that could have much more immediate, comprehensive, and widespread impact. We have shared many of these with the Senate Finance Committee in regard to Senate Bill 1:

- Improve physician Medicaid payment and simplify the overwhelming and costly administrative burden for physicians in the Medicaid program.
- Reduce uncompensated care costs among physicians by increasing coverage among Texas' most vulnerable populations, including by enhancing postpartum coverage in the Healthy Texas Women program.
- Improve the financing and operation of indigent health care provided by counties and hospital districts, with a goal to fund physician outpatient care and to simplify the eligibility, application, and payment request processes for physicians and their patients.
- Provide funding or encourage counties and/or hospital districts to provide funding for local charitable programs that help to fund services and connect uninsured patients to needed care.

TMA thanks you for your consideration of our comments. We are ready to work with the author and committee during its deliberations on the issue of access. Should you have any questions, please do not hesitate to contact Troy Alexander, TMA

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