Gov. Perry Speaks at Texas Hospital Association

Thursday, July 31, 2003

Good morning. I want to thank members of the Texas Hospital Association for joining me today.

For hospitals and health care providers, the clock is ticking. In 32 days, a five percent reduction in fees paid to doctors, hospitals, nursing homes and other health care providers that provide health care services for Medicaid patients is scheduled to take effect.

Because of the federal matching funds Texas recently received, I have been working with the leadership of the House and Senate to add back $167 million for Medicaid rate relief for health care providers and community care services. The portion dedicated to increasing rate reimbursement for hospitals and physicians would lessen the scheduled fee reduction by 50 percent.

It should be pointed out that this was the top priority identified by legislators in the event additional money became available…and for good reason: we want to keep our clinics open to Medicaid patients so that our poorest Texans continue to have access to health care.

On Friday, I reached an agreement in principle with Lieutenant Governor Dewhurst and Speaker Craddick to restore these health care funds.

When 11 Democrat Senators fled the state on Monday, they jeopardized this vital increase in funding for doctors and hospitals by killing legislation that would have ensured our authority to provide a higher Medicaid reimbursement rate.

Some have argued that these funds can already be spent on health care services. But a question raised by the Comptroller concerning the validity of two budget riders caused us to cover our bases and insert technical corrections into House Bill 5 and Senate Bill 21—the bills killed Monday when senators left the state— to ensure these dollars can
be spent as intended.

Now, with the authority to spend these vital health care dollars called into question by the Comptroller, health care providers are the ones who will suffer unless the Democrats return to work.

And to make matters even more difficult, the Texas Health and Human Services Commission needs as much time as possible to reprogram its computer system for the higher reimbursement rates.

Because of the legal issues raised by the comptroller over the authority to spend this money, and because of the uncertainty of when the Democrats might return to work, I have asked Attorney General Abbott to clarify whether Texas can spend the federal matching funds that the Legislature appropriated.

But the surest way for doctors, hospitals and Texas patients to benefit from the $167 million increase for health care services is for the Democrats to come home and do the work of our people.

What is at stake here is not politics, but good public policy. Not only are additional dollars for Medicaid rate reimbursements jeopardized by the Democrats' actions, but so is an additional $36 million for community care services, which is part of the $167 million we agreed to spend.

We're talking about disabled and poor Texans who will be directly harmed by this abdication of duty by Democrat Senators. Texans deserve better, and so do the many health care providers who do so much to help our poorest Texans whenever they have a health care concern.

The message is simple for my Democrat friends: don't just talk the talk when it comes to health care, but come back home to cast your vote for better health care. Texans elected you to cast your vote in Austin, so come back to work