

TOM GREEN COUNTY LPPF PRESS RELEASE:

The Tom Green County Commissioners will hold a public hearing on October 24th to consider a program that would help local hospitals recover a portion of their massive uncompensated care costs.

Tom Green County hospitals provide a tremendous amount of care to Medicaid and uninsured patients, and are only reimbursed a fraction of the costs they incur in providing these services. The Emergency Medical Treatment and Labor Act, passed by the Reagan administration in 1986, requires all patients who come into an emergency department to be stabilized and treated, regardless of their insurance status or ability to pay. This mandate results in huge uncompensated costs to hospitals. Local hospitals also provide a substantial amount of care to Medicaid patients, and receive reimbursement that only covers about half of the costs associated with providing that care. It is estimated that Tom Green County hospitals provide about \$35 Million of uncompensated care to Medicaid and uninsured patients every year.

In 2011, under the leadership of Governor Perry, the State of Texas received federal approval of the Texas Transformation and Quality Improvement (1115) Waiver, a program designed to assist Texas hospitals to recover some of these uncompensated costs. The Texas Waiver empowers local communities to transform the delivery of health care by tailoring local projects to meet the community's local needs. However, Tom Green County lacks the necessary funding mechanism to help its local hospitals access the funding available under the Waiver.

In recognition of this problem, the 85th Legislature passed, and Governor Abbott signed legislation sponsored by Representative Darby and Senator Perry that allows Tom Green County to create a Local Provider Participation Fund (LPPF). The LPPF would give Tom Green County the opportunity to access federal funding under the Waiver without burdening local taxpayers or asking the State to use its General Revenue fund.

The LPPF would allow local hospitals to recover about half of the \$35 Million dollars in uncompensated care costs that they incur each year. This funding would help local hospitals better serve their patients and the community in general.

For questions please contact:

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