



Testimony

HB 484 (In Favor)

Testimony Before the Texas House Committee on Human Services

David Balat, Director, Right on Healthcare

Chairman Frank and Members of the Committee:

My name is David Balat. I am the director of the Right on Healthcare initiative at the Texas Public Policy Foundation and have worked in the healthcare industry as a hospital executive and CEO for nearly 20 years. Thank you for giving me the opportunity to testify in support of HB 484.

Medicaid is an important program that was instituted to provide health coverage for those most at risk: the elderly, the disabled, eligible women, and children. But the more we ask of Medicaid, the less it is able to perform its original mission.

Fewer than half of all Texas doctors are enrolled in the Medicaid program and even fewer are [taking new patients](#)—which is one of the reasons why the state pays more than \$1 billion on emergency room claims alone each year for non-urgent services. When Medicaid enrollees cannot get an appointment when they are sick, they go to the ER.

One improvement would be to allow Medicaid dollars to [fund Direct Primary Care arrangements](#) (DPC) for Medicaid recipients. In DPC, patients pay physicians a low subscription fee that covers most of the primary care and urgent care needed.

Using innovative technology such as HIPAA-compliant smartphone apps, patients can build the kind of effective relationships with their doctors they could never have in an ER setting. Many DPC physicians report they are able to treat long-term issues such as diabetes more effectively with that strengthened doctor-patient relationship.

In discussion with HHS, bills such as this one shall be reviewed as demonstration projects as an opportunity to increase the supply of care to Medicaid beneficiaries. If HB 484 were to be signed into law, HHSC would be directed to submit a waiver to CMS allowing physicians not enrolled in the program to care for Medicaid beneficiaries under specifications of this pilot. The pilot program would be contingent on the approval of the waiver by the federal government.

What are the arguments against greater care for our Medicaid beneficiaries? Those who believe health insurance is the equivalent of healthcare would state the following:

- *The physicians would not be under the oversight of the insurer.* This is typically true because the Texas Medical Board is the agency that provides oversight for the licensure of physicians. Oversight by the insurer is typically in the form of prior authorizations, step therapy, and other mechanisms designed to limit financial exposure of the insurer.
- *The insurer would only be responsible for catastrophic events such as emergency care and hospitalization.* This is also true and consistent with the role of insurance coverage.

These are not reasons to restrict care for those who choose it under this model. This is an opportunity to focus on improving the delivery of care to those who need it most, and I look forward to addressing any questions you may have pertaining to this issue. ★

David Balat is the director of the Right on Healthcare initiative at the Texas Public Policy Foundation. He has broad experience across the healthcare spectrum with expertise in healthcare finance. He is a former congressional candidate in Texas' 2nd Congressional District and a seasoned hospital executive with more than 20 years of healthcare industry leadership and executive management experience.