

Legislators: County indigent care vote could affect UTMB funding

By T.J. AULDS | Posted: Thursday, July 11, 2013 1:00 am

Faced with the prospect that the state might not fund the reconstruction of the University of Texas Medical Branch after Hurricane Ike, Galveston County Commissioners agreed to take unprecedented measures to fund indigent care.

Now, some worry that a recent change in how the county funds indigent health care may jeopardize future medical branch funding requests.

First, commissioners — at the urging of local state legislators — increased the federal poverty level threshold by which poor county residents receive taxpayer-supported specialty and tertiary medical care. Commissioners then approved a tax rate hike to fund what was expected to be a dramatic increase in spending on indigent health care.

Both plans were approved in a 4-1 vote that ran along party lines. The then Democratic majority pushed the measure through.

Threshold increase ‘key’

The county’s legislative delegation of two Republicans and one Democrat said at the time the county’s step to increase the eligibility rate from 21 percent of federal poverty level to 100 percent was key in winning support from the state legislature to spend billions to rebuild and improve the medical branch’s Galveston campus.

In fact, the legislation that provided for the revenue bonds to fund the reconstruction notes that the Legislative Budget Board would consider the county’s indigent health care funding in funding the medical branch’s tuition revenue bonds.

Changes approved

A few months before the fifth anniversary of Hurricane Ike, commissioners again wrestled with question of indigent care. And in another 4-1 vote, along a different set of party lines, county commissioners voted to lower the federal poverty threshold to 35 percent.

County Judge Mark Henry said that despite a reserve fund of about \$7 million for indigent care, the county is spending more than expected to provide health care.

The county budgets about \$2 million a year to pay for indigent care before tapping into the reserve funds.

That spending is cutting into the reserves built up by the tax rate increase, the judge said.

County Commissioner Stephen Holmes, now the county's lone Democrat, voted against lowering the threshold. He objected in part because he said he worried about the effect the measure would have on the medical branch's ability to get state funding.

Ramifications for UTMB

State Sen. Larry Taylor, R-Friendswood, who was one of the county's state representatives four years ago and who worked with State Rep. Craig Eiland, D-Galveston, in securing the post-Ike funding, acknowledged the commissioners' decision could have ramifications.

"I don't think it will be immediate," Taylor said. "No one is going to pull the funding on the construction already under way."

Taylor said he spoke with State Rep. Sylvester Turner, D-Houston, vice chairman of the Texas House Appropriations Committee, who expressed concern about the commissioners' decision.

"He was disappointed," Taylor said. "And he thinks that it will affect any future funding."

Eiland also said the state would probably take a closer look at medical branch funding requests because of the change, even though the medical branch had no role in the decision.

"UTMB is going to have to answer questions about this action," Eiland said. "However, the main concern of the legislature is the impact of the county's indigent program on UTMB and its needs for state or University of Texas System funds."

Things change

Eiland and Taylor stressed that the legislature will consider changing conditions.

"Things are much different now than (four) years ago," Taylor said. "And while I am opposed to it, we do expect changes in health care funding because of (federal health care reform)."

Eiland agreed on that point.

"In 2009, we weren't thinking of the Affordable Care Act and how that might impact decisions, actions and performance of the state, UTMB and Galveston County Commissioners Court," Eiland said. "As I understand it, even after this action, the county will be spending much more money next year than this year, so I think the legislature will take that fact into consideration."

Taylor said the medical branch does not get the bulk of the county's patients.

"UTMB doesn't have the exclusive contract to provide indigent health care as it is," Taylor said. "That had already changed."

Henry said that in 2012, 72 of the 500 patients in the county's Indigent Health Care program were

treated at the medical branch. Of those, 67 were hospital visits, the county judge said.

Medical branch officials did not respond to a Daily News request for comment.

‘Irresponsible’ vote

Former County Commissioner Pat Doyle, one of the architects of the county’s plan in 2009, called the commissioners’ recent vote “irresponsible.”

“The county made a pledge to support UTMB in its home county, and this group of four has gone against that promise to rebuild the economic engine of UTMB,” Doyle said, referring to the county judge and commissioners Ken Clark, Kevin O’Brien and Ryan Dennard.

Doyle, a Democrat who did not seek re-election last year, led the charge to include a statement of conditions in the county’s decision to increase eligibility for care four years ago. The conditions specified that the county expected the state and medical branch to meet them. If those conditions weren’t met, the county would pull back on the tax rate increase and the increase in the federal poverty level threshold.

Doyle said he worries the state will not look kindly on the county or medical branch now.

“(There will be) severe repercussions at the state level,” Doyle said. “Funding (indigent care) as it should be or (the court’s) effectiveness to enter into agreements and stand behind them are severely compromised.”

Clark and Holmes are the only members of the court who were in office when the county struck the deal in 2009.

“How quickly memories fade and our public officials who weren’t on the front line forget for those that were,” Doyle said.