



# CHILDREN'S HEALTH COVERAGE COALITION

## FORMERLY THE CHIP COALITION

### February Children's Health Coverage Coalition Agenda

Friday, February 17<sup>th</sup>, 2022

11:00 A.M. - 12:45 P.M. CST

**Meeting Location:** Zoom

**Meeting Chair:** Adrienne Lloyd – Children's Defense Fund

11:00 A.M. - 11:05 A.M.

Welcome & Introductions

11:05 A.M. - 11:10 A.M.

Upcoming Session Events

11:10 A.M. - 11:20 A.M.

High-Level Overview of Texas Women's  
Healthcare Coalition Legislative Agenda

- Kristen Lenau (Healthy Futures of Texas)

11:20 A.M. - 11:30 A.M.

Texas Coalition for Healthy Minds Legislative  
Agenda Overview

- Bryan Mares (National Associations of Social Workers)

11:30 A.M. - 11:50 P.M.

Budget Hearings Update

- Helen Kent Davis (Texas Medical Association) and Anne Dunkelberg (Every Texan)

12:00 P.M. - 12:15 P.M.

HHSC Presentation on Medical Unwinding  
Plan and Budget Walkthrough of EIs

- Molly Lester (HHSC)

12:15 P.M. - 12:20 P.M.

Optional Brain Break

12:20 P.M. - 12:35 P.M.

CHCC Legislative Discussion & Filed Bills

12:35 P.M. - 12:45 P.M.

CHCC Bills of Concern and Strategy



# CHILDREN'S HEALTH COVERAGE COALITION

## FORMERLY THE CHIP COALITION

### Children's Health Coverage Coalition Meeting

Friday, February 17th, 2023

11:00 A.M. - 1:00 P.M.

*Meeting Chair: Adrienne Lloyd – Children's Defense Fund*

*Meeting Scribe: Isabel Agbassi - Every Texan*

### CHCC AGENDA

#### I. Upcoming Session Events

**Kristen Lenau:** There is an advocacy day on the 23rd that will consist of a morning at St. David's, rally at 1pm, and subsequent office visits. Feel free to reach out to me for further details!

**Adrienne Lloyd:** There is a SickOfIt Texas People's Hearing happening on March 2nd. It will commence at 11am to discuss the need for Medicaid expansion. Since there hasn't been a hearing since 2019, there will be opportunities for input and 2-3 minute testimonies from people who are currently or were previously unable to access affordable health coverage. It is meant to be a supportive and validating space to build power and momentum around the issue. There are spots for people currently or previously in the coverage gap and for committee members that include enrollment assisters, clergy, health providers, and the general population.

#### II. High-Level Overview of Texas Women's Healthcare Coalition Legislative Agenda

[SEE ATTACHED SLIDES]

**Kristen Lenau:** My background is in domestic violence and sexual assault related policy. Our coalition is a group of organizations primarily focused on preventative health care for women, including birth control, and was formed in 2011 in response to significant budget cuts to women's health programs.

*Questions/Comments:*

- **Helen Kent Davis:** In the updated DSHS exceptional item request, they are asking for money to support the Maternal Mortality and Morbidity Review Committee, specifically additional resources to help expedite review of cases, improve the perinatal collection system, and to support the work of the members themselves who currently don't get paid for travel.
  - **KL:** Yes, I had forgotten. I believe it's exceptional item #8. If you speak on article 2, consider adding that to your testimony as it would almost double the size of staff assigned to work on this.

#### III. Texas Coalition for Healthy Minds Legislative Agenda Overview



# CHILDREN'S HEALTH COVERAGE COALITION

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[SEE ATTACHED SLIDES]

**Bryan Mares:** I'm Government Relations Director at the National Association of Social Workers. Our steering committee for the Texas Coalition for Healthy Minds consist of the Hogg Foundation, Texas Council of Community Centers, Texans Care for Children, and more, and we help organize and oversee work group and new member applications that come in to join the coalition. We were formed in 2011 to serve as a space for mental health advocates and physicians, doctors, social workers, and mental health providers alike to discuss policies that may influence the coalition's drivers for legislative session. We work in the interim and in the session years. We meet weekly during the legislative session on Fridays.

#### IV. Budget Hearings Update

**Helen Kent Davis:** There was a Senate Finance Hearing on February 10th for Article 2. Agencies, including HHSC, DSHS, and DFPS, invited testimony that can be viewed on their webpage. It's a 3 hour long testimony and provides a good sense for what legislators are asking about, their interests, and the agency's information that relates to them.

For those unfamiliar with the budget process, all agencies are required to submit a Legislative Appropriations request to the LDB the fall of the year prior to session. So in this case, those hearings were held last August and September. In the ensuing months, the agencies work with the leadership to revise requests that include exceptional items. These items are considered to be important by the agencies to be funded to make sure they can maintain services, operate their IT, have enough employees, and more. The agencies, including HHSC and DSHS, publish updated exceptional items and go through some of them in their testimony.

Due to the ice storm, public testimony was delayed till next Tuesday, and it will now be first come, first serve instead of in a particular order. If your testimony is in-person, you get 2 minutes and you have to bring 40 copies of your written testimony to hand in. Typically, in the past, they've done it by agency, so folks from HHSC were grouped together and so forth.

House Appropriations also started holding hearings on Article 2 this week. At a high-level, they focused on trying to familiarize the Appropriations Committee as a whole on the major functions of Article 2, particularly Medicaid and Behavioral Health since there are freshman lawmakers and people who haven't served on the committee before. From there, they form subcommittees on each article of the budget. Article 2 is chaired by Representative Jetton from Fort Bend and will begin to deep dive each aspect of Article 2 in relation to the agencies. They also discuss the functions of Medicaid, major issues, the agency's strategy around Unwinding, and behavioral health, so I recommend listening to them.



# CHILDREN'S HEALTH COVERAGE COALITION

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For this coalition, we are focused more on children's behavioral health issues, which may be a challenge in the budget to ensure a sufficient amount towards services for kids. Hearing from the agencies helps prepare and develop better testimony or information for lawmakers who serve on it. Looking at funding within the agency will help from the coalition's perspective to understand the impact on unwinding and requested staff to manage the services related to when it will start.

Some major funding items that are good news is funding for early childhood intervention services that were in the HHSC's initial exceptional item request from last fall that is in the base. They also included within the base budget funding for better birth outcomes, including enhanced services not only for the Healthy Texas Women's Program and improving access to mobile preventative health services. This is particularly important to the family planning program which serves women and youth who are not eligible for Medicaid.

**Anne Dunkelberg:** From our group perspective about having a high level of concern about the unwinding eligibility, big themes to be aware of are that the budget bill as filed includes an assumption of across the board 5% per year, so an aggregate of 10% over the biennium pay raises for state employees, and separately includes there's a recommendation in the exceptional items. There's a recommendation for a rider, the first ever, that spells out a list of things that they plan to include in the supplemental appropriation request, which is always part of the process. They always have a bill to make sure they fill in the gaps for the underfunding of Medicaid. Other items that may come up is funding to continue the raises HHSC gave eligibility staff and some other key staff in 2022. There's also an expectation to fund those in the upcoming biennium that they're writing a budget for. In addition to that, there's an exceptional item #5 in HHSC's exceptional item list that involves over 600 temporary employees to get them through the incredible workload demand that renewing everybody on Medicaid at a time when there's an extra 1-1.2 million folks on Medicaid is going to call for.

As a reminder for those new to the budget process, the base budget never includes the cost of inflation. They put enough money in there to cover all the projected enrollment in Medicaid, but it goes in at the assumed cost per individual that was existing in the 22-23 budget. So that's always a big add-on that has to come later.

Also in relation to our legislative agenda, the need for rate increases for providers is another major issue. Doctors and other individual practitioners in Medicaid are not subject to any kind of regular update on how much they get paid by Texas Medicaid since the early 90s. Because different providers have different kinds of reimbursement methods, they are somewhere just due to the nature of the way they do the reimbursement with some inflation and actual cost data built into what they get paid. It may not be completely accurate, but they are getting some increases. There's some areas like prescription drugs where almost all inflation gets passed through. For doctors and individual practitioners who utilize primary care and taking care of Medicaid and CHIP beneficiaries, there's not regular updates. One of the things that HHSC highlighted in their request and their exceptional items in their budget request was for personal attendants who are people who take care of people with disabilities, which includes children and frail seniors. There are between 30,000- 50,000 folks



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on Medicaid who use those services, and that's what allows them to do daily living tasks. So when those people are out of state accountability by being employees, contractors of another provider means they don't have any benefits. They are being paid between \$8-10/hour. HHSC indicated that one of the areas of provider rates that call for most attention, but it also looked at maternity related and some pediatric things.

**HKD:** HHSC and their updated exceptional item does still contain a recommendation that lawmakers explore. They didn't put a budget number to it, but they did recommend they explore increasing rates for physician professional services for certain categories of funding. So things like office visits and other services commonly performed that aren't necessary procedures are called evaluation and management codes, and those codes average about payment in Medicaid, depending on the service, 40% to 60% of Medicare payments, which are already about half of commercial rate. So in the fee for service systems that have managed care can pay differently and sometimes does like stabilizing rural maternal health where there is a crisis across the state. Another hospital just announced it's closing, the one in LaGrange. And many facilities, if they haven't closed, are actually limiting maternal health services because they don't have nurses, physicians, and finances to keep the hospital going. Lots of challenges on the maternal health front that have significant implications for babies as well if their mothers aren't getting appropriate care. If you listen to the hearings, there are some references from agency staff regarding their antiquated eligibility and enrollment system tiers. They did not include in the base any additional funding to modernize it. It's an older system and part of our efforts to get people enrolled more quickly, including Express Lane eligibility (if it passes) where the state can use data from other verified sources like Snap to help expedite enrollment or simplify enrollment in Medicaid. Serving Texas Medicaid enrollees is getting them enrolled in a timely way, and you can't do that if the systems you have are outdated.

### *Questions/Comments:*

- **Diana Forester:** Is it true that the request to modernize tiers that didn't make it into their exceptional item has an associated cost estimate that legislators can ask for?
  - **HKD:** I believe they tried to get it into the base in the negotiations regarding what would be a priority. It's important to relate it to people, not equipment, to discuss how the antiquated system hurts the enrollment of women and delays 12 months continuous eligibility for kids or other priorities.
    - **Anne Dunkelberg:** Given the opportunity to promote that, something that will need to be overcome is the long lead time that it takes to implement best practices. We can focus on the importance of filling in the expertise gap at the beginning of any conversation.

### **V. HHSC Presentation on Medical Unwinding Plan and Budget Walkthrough of EIs**

**[SEE ATTACHED SLIDES]**



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### *Questions/Comments:*

- **HKD:** From the budget hearings and with knowledge of the federal requirements, how are you all moving forward with implementing a federal law which requires 12 months for kids and trying to match that up with this process?
  - **Molly Lester:** As the federal law goes into effect January 1st of 2024, that's the implementation timeline we are currently working towards to be in compliance with the federal law.
  - **HKD:** Since you have 12 months to start redetermination, could the kids be pushed off to the last possible point to ensure eligibility?
    - **ML:** At this point, people who are eligible, including children, are mostly in cohort 3. We are aligning households in the cohort, so it's possible that a child in cohort 3 will be taken up in cohort 1 if another member of their household is in cohort 1. As long as they remain eligible, they would get another 12 month certification.
  - **Hilary Davis:** Continuous eligibility applies to the regular renewal population, not to the cohorts. We cannot renew them any sooner than 12 months. And before we disenroll anybody within the next 12 months, we have to do a full renewal. We cannot disenroll them unless they've passed away or moved out of state. Even with the changes in the system for unwinding, we have to do a full renewal before we disenroll anybody and renewal becomes an option when the full 12 months are up. It primarily depends on where the children fall in their renewal cycle that they may be disenrolled, but we will do a full renewal.
- **Anne Dunkelberg:** Does the elimination of a 6 month pick from your workload help with the workload of unwinding?
  - **Molly Lester:** Picks have been suspended during the PHE, and we are not planning to resume them until we complete the redeterminations. We do not anticipate workload relief associated with eliminating them since it is baked into our assumptions.
- **HKD:** Regarding the House Appropriations Committee and the conversation around ensuring as many women as possible with the potential passage of 12 months Medicaid postpartum coverage, is there a way to ensure there is continuous enrollment without a gap?
  - **Molly Lester:** Our system is prepared to implement HB 133 if it passes. For continuous enrollment, we need CMS approval of a waiver amendment to do that. Any extension to 12 months would be the same that we had to do for 6 months. Since it's essentially a new benefit, it requires policy & system changes and CMS approval through the state plan amendment. For the 8 month time frame, it is highly expedited compared to our normal time frame of 12 to 18 months for implementing a new benefit. We are projecting 6-8 months to complete the process since the policy and rule changes can happen concurrently. With a clear legislative direction, we can proceed, but we do the groundwork to ensure if a bill passes, we don't have to wait till the effective date to plan.





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- **AD:** Since a legislative pass isn't needed for the January 1st implementation, can it be assumed that it will be started prior to January 1st?
  - **ML:** For children's continuous eligibility, we have the federal law to do that, so we are working towards 8 months. Without a legislative direction, there is likely to be some sort of gap because for women in the cohorts, those packets, even for cohort 3, will be out in June. We don't anticipate a way to implement a 12 month option without a gap.
  - **HKD:** Is it possible to use the option Representative Howard discussed of using GR funding as a bridge?
    - **ML:** We need express legislative authority to that current statute that prohibits us from using only GR to operate a Medicaid program. We had expressed authority that the statute did not apply in this case. The funding for it would need that by mid March to be able to implement it before alerts start going out before the continuous coverage requirement ends. If that were received by mid March, we could implement the 6 month – implement HB 133 with this GR funding in lieu of CMS approval. That would help potentially women who are in that 2-6 months range.
    - **HKD:** For women in that gap, will they get healthy Texas women plus?
      - **ML:** If they're within 12 months postpartum, yes.
      - **HKD:** That's important to convey since physicians may not be aware of HTW+ given continuous eligibility.
- **Erika Ramirez:** For women in the gap that would be able to access HTW+, would that be done automatically and they will be notified? Or will they still have to complete an application?
  - **Molly Lester:** It's part of the process that we only request verification if needed to get to enroll them into HTW. If they are within 12 months postpartum, they will receive those benefits from being in HTW. I don't believe they will need to do anything additional to access those benefits.
  - **Hilary Davis:** Correct. HTW+ is based on eligibility for HTW. It's automatic as they're within 12 months postpartum.
- **Erika Ramirez:** Are you willing to share the unwinding plan that you had to submit the CMS?
  - **Molly Lester:** We will make it available in mid-March as the data is required.
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# CHILDREN'S HEALTH COVERAGE COALITION

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### VI. CHCC Legislative Discussion and Filed Bills

- **Diana Forester:** We expect Rose's bill to be filed when the speaker finalizes his package. HB 1599 has a joint author, and there is a search for sponsors.
- **Shelby Tracy:** The Health Select Committee on Healthcare Reform is continuing through session, and they are taking a look at the recommendations in the report to delegate issue areas. For community partners, Article 2 and appropriations are important.
- **Anne Dunkelberg:** Regarding targeted outreach for mixed immigration status families which is part of our CHCC priorities, Senator Menedez filed a version of it. For continuous eligibility for kids, it can be viewed as a way to manage the unwinding workload. We hope to see progress on this with our efforts.
- **Adrienne Lloyd:** There is a Medicaid in schools bill that is vague in the type of service that was introduced but is explicit that parental consent has to be given for these services. This could be a potential hurdle.

### VII. CHCC Bills of Concern and Strategy

- **Adrienne Lloyd:** We often work on bills that improve access to coverage for kids, but there are bills that could directly limit access if passed.

# Policy Update

February 17th, 2023

Kristen Lenau, MPH

[klenau@healthyfutures-tx.org](mailto:klenau@healthyfutures-tx.org)



## Texas Women's Healthcare Coalition

PROMOTING ACCESS TO PREVENTIVE  
HEALTHCARE FOR ALL TEXAS WOMEN

# Texas Women's Healthcare Coalition

The Coalition is a membership based group of 87 healthcare, faith and community based organizations that are dedicated to improving the health and well-being of Texas women, babies, and families by ensuring access to preventive healthcare for all Texas women. Access to preventive, prenatal and preconception care – including contraception – means healthy, planned pregnancies and the early detection of cancers and other treatable conditions.

# Overview

Funding Priorities

Non-funding Priorities

Maternal Mortality

# TWHC Funding Priorities

In Texas, three programs provide crucial preventive healthcare benefits such as contraception, well woman care and life-saving cancer screenings: **Healthy Texas Women, the Family Planning Program, and the Breast and Cervical Cancer Screening (BCCS) program**. Statewide need for these programs has historically exceeded funding, especially in the Family Planning Program. They currently serve approx. 300,000 people per year. We anticipate that the end of the Public Health Emergency will lead to an additional hundreds of thousands of Texas women seeking care.

Base Budget includes an additional 87M in all funds for WHP



# Non-funding Priorities

- 1) Postpartum Medicaid Expansion(bill number pending)
- 2) SB807/HB 916: 12 Months supply of birth control
- 3) HB 141: CHIP coverage of birth control

# Maternal Mortality

TWHC supports efforts to access and review data on maternal and infant health in a timely manner, to prevent the tragic loss of mothers and infants.

MMMRC Biennial Report to the Legislature had several major findings from 2019 cohort review. SMM rates went up in 2019, particularly for black mothers.

HB 663 by Rep Thierry

HB 214 by Rep Howard





TEXAS COALITION FOR  
HEALTHY MINDS



## ABOUT US

The Texas Coalition for Healthy Minds advocates for the health and well-being of all individuals living in our state impacted by or at risk of mental health and substance use disorders. Collectively our organizations represent thousands of doctors, psychologists, counselors, social workers, mental health professionals, and other advocates promoting policies that prioritize prevention, identification, treatment, and support.

## OUR MEMBERS





# OUR POLICY PRIORITIES

## 88TH TEXAS LEGISLATURE

Our members work in coalition to promote high impact policies across the spectrum of behavioral health.



### **Behavioral Health Workforce**

Increase Funding and Expand Loan Repayment Program for Mental Health Professionals



### **Youth Mental Health**

Establish School Mental Health Allotment

Secure Additional Community-Based Support



### **Institutional Rights & Civil Liberties**

Ensure Medication Continuity for Justice-Involved Individuals



### **State Budget**

Invest in Workforce, Infrastructure, and Expanded Services



### **Substance Use Disorders**

Adopt Voluntary Accreditation of Recovery Housing

Update Patient Brokering and Anti-Kickback laws



Connect with us at  
[CoalitionHealthyMinds.org](https://CoalitionHealthyMinds.org)



# **Legislative Appropriations Request for Fiscal Years 2024-2025 Overview**

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**Hannah Vardy**

**Senior Advisor, Chief Program and  
Services Office, HHSC**



**TEXAS**  
Health and Human  
Services

**October 21, 2022**



**TEXAS**  
Health and Human  
Services

# Key Functions of HHS

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- Provides oversight and administrative support for Health and Human Services (HHS) agencies
- Administers the state's Medicaid, women's health, behavioral health, and other client services programs
- Provides a comprehensive array of long-term services and supports for people with disabilities and people age 60 and older
- Operates state psychiatric hospitals and state supported living centers (SSLCs)
- Regulates healthcare providers, professions, and facilities
- Sets policies, defines covered benefits, and determines eligibility for client services programs



# Key Budget Drivers

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The following assumes the Public Health Emergency (PHE) and related policies end December 2022, figures are impacted due to continued policy recovery over the biennium:

- Medicaid caseloads are projected to decrease by 0.8 percent in FY 2024 and 1 percent in FY 2025
- CHIP caseloads are expected to increase by 64 percent in FY 2024 and 6 percent in FY 2025
- Cost growth has experienced volatility due to caseload change (casemix) resulting from federal PHE policy, in general cost growth is impacted by the following factors:
  - Utilization trends
  - Case mix distribution
  - Benefit changes
  - Population acuity factors
  - Aging and births
  - Evolutionary and revolutionary advances in medicine
- Cost growth for Texas' Medicaid program has averaged a slower rate of increase when compared to national trends

# Summary of Request 2024-25 Biennium



**TEXAS**  
Health and Human  
Services

Method of Financing	2024-25 Base Request	2024-25 Exceptional Items	2024-25 Total Request
General Revenue Funds	\$33,876,037,805	\$3,183,392,130	\$37,059,429,935
General Revenue-Dedicated Funds	\$190,859,312	\$754,530	\$191,613,842
Federal Funds	\$50,979,133,940	\$3,828,963,770	\$54,808,097,710
Other Funds	\$1,626,244,905	\$ -	\$1,626,244,905
<b>Total Method of Financing</b>	<b>\$86,672,275,962</b>	<b>\$7,013,110,430</b>	<b>\$93,685,386,392</b>
Full-Time-Equivalents (FTEs)	38,509.3	105.5	38,614.8

Note: Includes a combined \$170.2 million in All Funds and 657.9 FTEs associated with baseline and exceptional item requests for the Office of Inspector General and the Texas Civil Commitment Office.



# Summary of All Funds Request by Goal

## 2024-25 Biennium

Goal	2024-25 Base Request	2024-25 Exceptional Items	2024-25 Total Request	FY 2024 FTEs	FY 2025 FTEs
Goal A - Medicaid Client Services	\$71,388,040,484	\$5,632,419,245	\$77,020,459,729	-	-
Goal B – Medicaid and CHIP Support	\$1,456,683,353	\$36,362,138	\$1,493,045,491	1,043.9	1,044.9
Goal C – CHIP Client Services	\$1,822,030,394	\$134,845,648	\$1,956,876,042	-	-
Goal D – Additional Health-Related Services	\$3,142,183,269	\$178,049,715	\$3,320,232,984	795.9	795.9
Goal E – Encourage Self Sufficiency	\$1,703,633,527	\$6,338,135	\$1,709,971,662	205.1	205.1
Goal F – Community and Independent Living Services and Coordination	\$747,434,352	\$4,643,153	\$752,077,505	230.2	230.2
Goal G - Facilities	\$2,695,241,016	\$417,117,554	\$3,112,358,570	19,842.1	19,842.1
Goal H – Regulatory Services	\$342,370,704	\$107,951,558	\$450,322,262	2,567.6	2,571.6
Goal I – Program Eligibility Determination and Enrollment	\$1,961,797,617	\$183,747,659	\$2,145,545,276	9,429.7	9,429.7
Goal J – Disability Determination	\$209,623,384	\$8,250	\$209,631,634	830.2	830.2
Goal K – Office of the Inspector General	\$108,464,442	\$12,495,136	\$120,959,578	616.9	616.9
Goal L – System Oversight and Program Support	\$1,054,553,579	\$290,071,976	\$1,344,625,555	3,009.0	3,007.2
Goal M – Texas Civil Commitment Office	\$40,219,841	\$9,060,263	\$49,280,104	41.0	41.0
<b>Total Agency Request</b>	<b>\$86,672,275,962</b>	<b>\$7,013,110,430</b>	<b>\$93,685,386,392</b>	<b>38,611.6</b>	<b>38,614.8</b>

Note: Includes 105.5 FTEs requested through exceptional items.







**TEXAS**  
Health and Human  
Services

# Exceptional Item Requests

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- In developing its LAR, HHSC continues to be guided by the following principles:
  - Maintain essential client services
  - Request funding for only what is necessary to prevent agency operations from breaking
- HHSC prioritized and grouped its exceptional item requests into the following categories
  - Maintain Access for Essential Client Services
  - Prevent Disruption of Critical Operations and Achieve Efficiencies
  - Improve Access and Delivery of Behavioral Health Services
  - Comply with State and Federal Regulations
  - Address IT Infrastructure Needs
- HHSC solicited and received more than 200 emails with more than 500 specific recommendations from the public and stakeholders

# Summary of Agency Exceptional Item Requests 2024-25 Biennium

Exceptional Item Category	GR & GR-D Total	Biennial Total	FY24 FTEs	FY25 FTEs
Category 1 – Prevent Disruption of Critical Operations and Achieve Efficiencies	\$ 425,829,763	\$ 624,224,883	18.8	18.8
Category 2 – Improve Access and Delivery of Behavioral Health Services	\$ 133,151,172	\$ 152,124,432	-	-
Category 3 – Comply with State and Federal Regulations	\$ 28,613,368	\$ 56,303,018	45.9	48.9
Category 4 – Maintain Access and Improve Outcomes for Essential Client Services	\$ 2,474,590,868	\$ 5,992,117,191	1.0	1.0
Category 5 – Address IT Infrastructure Needs	\$ 98,846,952	\$ 155,829,715	8.6	8.8
<b>Total Exceptional Item Requests</b>	<b>\$ 3,161,032,123</b>	<b>\$ 6,980,599,239</b>	<b>74.3</b>	<b>77.5</b>

Note: Does not include a combined \$32.5 million in All Funds and 28.0 FTEs associated with exceptional item requests from the Office of the Inspector General and the Texas Civil Commitment Office



# Exceptional Item #1



## Maintain Client Services Cost Growth

- Category: Maintain Access for Essential Client Services
- This request maintains cost growth for the following:
  - Maintain Client Services (\$2.2b GR | \$5.5b AF)
  - Maintain Medicaid Waiver Program (\$98.8m GR | \$244.9m AF)
  - PACE Existing Sites (\$7.6m GR | \$18.8m AF)

\$ in Billions	FY24	FY25	Biennium
General Revenue	\$0.9	\$1.4	\$2.3
All Funds	\$2.2	\$3.6	\$5.8
FTEs	-	-	

# Exceptional Item #2



## Address Critical Workforce Needs

- Category: Prevent Disruption of Critical Operations and Achieve Efficiency
- HHSC is experiencing challenges with high turnover and high vacancy rates, partially due to an inability to offer higher starting salaries and an inability to provide salary increases for high performing employees
- The COVID-19 pandemic exacerbated the problem
- HHSC is requesting funding to increase employee salaries and address salary disparities
- Targeted to critical and hard-to-fill positions

\$ in Millions	FY24	FY25	Biennium
General Revenue	\$130.2	\$130.2	\$260.4
All Funds	\$220.4	\$220.4	\$440.7
FTEs	-	-	

# Exceptional Item #3



## Improve Mental Health Services

- Category: Improve Access and Delivery of Behavioral Health Services
- HHSC is evaluating the state's behavioral health needs and will update this item in January
- This request is a placeholder for related initiatives

\$ in Millions	FY24	FY25	Biennium
General Revenue	\$ -	\$ -	\$ -
All Funds	\$ -	\$ -	\$ -
FTEs	-	-	

Exceptional item is a placeholder.

# Exceptional Item #4



## Expanding State Hospital Capacity

- Category: Improve Access and Delivery of Behavioral Health Services
- This request would allow HHSC to continue the work initiated by the legislature in 2017 to replace and expand the state psychiatric hospital system
- Specific projects include:
  - New beds in Houston (168) and Dallas (300)
  - Planning for Terrell and Wichita Falls
  - Planning and land acquisition in the panhandle
  - Maintaining contracted beds
  - Funding increased construction costs for new or renovated state hospitals

\$ in Millions	FY24	FY25	Biennium
General Revenue	\$31.1	\$77.3	\$108.4
All Funds	\$36.5	\$82.7	\$119.1
FTEs	-	-	

# Exceptional Item #5



## Better Birth Outcomes

- Category: Maintain Access and Improve Outcomes for Essential Client Services
- This request would fund initiatives to improve health outcomes for women, babies, and families. These include:
  - Supporting prenatal and postpartum care to reduce the risk of pregnancy-related complications/death of the mother and the infant's exposure to adverse childhood events
  - Encouraging interventions to reduce unintended pregnancies and improve spacing between pregnancies
  - Promoting screening, referral, and treatment of perinatal mood and anxiety disorders like postpartum depression

\$ in Millions	FY24	FY25	Biennium
General Revenue	\$33.5	\$25.0	\$58.5
All Funds	\$52.9	\$38.6	\$91.4
FTEs	-	-	



# Exceptional Item #6



## Support for Community Based Services and Promoting Independence

- Category: Maintain Access and Improve Outcomes for Essential Client Services
- This item includes funding for:
  - Rate increases for community attendants
  - Expansion of the persons eligible to provide services
  - Support for a Texas-specific attendant job matching website
  - Improved timeliness of critical incident investigations
  - Promoting Independence to provide families with alternatives to institutions for their children

\$ in Millions	FY24	FY25	Biennium
General Revenue	\$ -	\$ -	\$ -
All Funds	\$ -	\$ -	\$ -
FTEs	-	-	

# Exceptional Item #7



## Maintain Client Services Base

- Category: Maintain Access and Improve Outcomes for Essential Client Services
- This item maintains current service levels for several programs, to account for lower federal participation due to changes to the federal medical assistance percentage (FMAP)
- Impacted items include:
  - State Supported Living Centers
  - Behavioral Health Waiver Programs
  - Targeted Case Management

\$ in Millions	FY24	FY25	Biennium
General Revenue	\$11.7	\$11.4	\$23.1
All Funds	\$29.5	\$28.9	\$58.4
FTEs	-	-	

# Exceptional Item #8



## STAR+PLUS Pilot Program

- Category: Comply with State and Federal Regulations
- To improve quality and ensure continuity of services, HHSC is required to design and implement a long-term services and support system for individuals with intellectual and developmental disabilities through managed care
- Before permanently redesigning how clients receive these waiver services, the Legislature directed the agency to develop a pilot program by September 1, 2023
- Building on initial investment made by the 87<sup>th</sup> Legislature, this request would fund the services and ongoing infrastructure and oversight supports for the STAR+PLUS pilot program for 24 months

\$ in Millions	FY24	FY25	Biennium
General Revenue	\$3.8	\$3.4	\$7.2
All Funds	\$10.1	\$9.6	\$19.6
FTEs	20.1	21.1	

# Exceptional Item #9



## Grants Management System for Improving Mental Health Outcomes

- Category: Improve Access and Delivery of Behavioral Health Services
- This request would fund the purchase a grant management system to track grant information, processes, and performance
- This system would help manage agency grants, including more than 450 mental health-specific grants totaling more than \$2.1 billion per fiscal year
- A grant management system provides for the ability to standardize grant functions, procedures, and more efficient management of funding through the automation of key grant activities

\$ in Millions	FY24	FY25	Biennium
General Revenue	\$11.4	\$13.4	\$24.8
All Funds	\$15.2	\$17.8	\$33.0
FTEs	-	-	

# Exceptional Item #10



## Cybersecurity Compliance and Operations Monitoring

- Category: Address IT Infrastructure Needs
- This request would support HHSC's efforts to defend against constantly evolving cybersecurity threats, protecting client data and preserving agency operations
- This item would fund:
  - Cyber Operations Center Monitoring
  - Advanced Analytics Endpoint Data Loss Prevention
  - Advanced Analytics Scanning Platform
  - Security System Plans and Auditable Event Compliance Assessments
  - Vulnerability Management Program
  - Web Application Penetration Testing

\$ in Millions	FY24	FY25	Biennium
General Revenue	\$15.6	\$15.2	\$30.8
All Funds	\$23.5	\$22.9	\$46.4
FTEs	-	-	

# Exceptional Item #11



## ECI Caseload and Method of Finance

- Category: Maintain Access and Improve Outcomes for Essential Client Services
- The Early Childhood Intervention (ECI) Program is experiencing significant caseload growth following the COVID-19 pandemic
- HHSC projects ECI will serve 11% more children in FY 2024 than it is targeted to serve in FY 2023. An additional 4% increase is projected in children served in FY 2025 over FY 2024
- This request would address that growth and maintain the target of \$433.61 per child for the in ECI program
- Without adequate funding to cover ECI costs to serve eligible children, the program will be at increased risk of losing contractors

\$ in Millions	FY24	FY25	Biennium
General Revenue	\$24.8	\$31.8	\$56.6
All Funds	\$29.1	\$37.2	\$66.3
FTEs	-	-	

# Exceptional Item #12



## Consolidated Rate Request

- Category: Maintain Access and Improve Outcomes for Essential Client Services
- Some categories of reimbursement rates have not been updated for long periods of time
- For the legislature's consideration, HHSC has identified several categories that are not currently reimbursed in accordance with current methodology and where a reimbursement rate increase would positively impact client access to high quality care
  - Community Attendant Services
  - Physician Evaluation and Management
  - End Stage Renal Disease
  - Private Duty Nursing

\$ in Millions	FY24	FY25	Biennium
General Revenue	\$ -	\$ -	\$ -
All Funds	\$ -	\$ -	\$ -
FTEs	-	-	

Exceptional item is a placeholder.



# Exceptional Item #13



## Procurement and Contracting Enhancements

- Category: Address IT Infrastructure Needs
- This item includes a phased series of improvements to the IT systems that support procurement and contracting including
  - SCOR Contract Management Improvements
  - HUB Monitoring and Reporting System
  - Automated Vendor Checks
  - Robotic Process Automation and CAPPS Financials Enhancements
- These improvements would increase functionality of existing systems; automate contracting processes, freeing up staff time and resources; increase data accuracy and security; enable improvements to the HUB program; and enhance monitoring, transparency, and compliance

\$ in Millions	FY24	FY25	Biennium
General Revenue	\$10.2	\$10.4	\$20.6
All Funds	\$13.6	\$13.9	\$27.5
FTEs	8.6	8.8	

# Exceptional Item #14



## Ensuring Effective Operations in State Facilities

- Category: Prevent Disruption of Critical Operations and Achieve Efficiencies
- This request would ensure state hospitals and SSLCs can provide services in safe environments that promote well-being of individuals served and meet certification and accreditation standards
- It would fund deferred maintenance and emergency repairs for 23 state hospitals and SSLCs, replacement of aging laundry equipment and laundry transport vehicles
- It also includes a joint request by HHSC and TXDOT for \$8.5M from Fund 006 to maintain and construct roads, parking lots, etc. at state hospitals and SSLCs

\$ in Millions	FY24	FY25	Biennium
General Revenue	\$53.0	\$44.5	\$97.5
All Funds	\$53.0	\$44.5	\$97.5
FTEs	-	-	

# Exceptional Item #15



## Increase Access for Deaf and Hard of Hearing Services

- Category: Maintain Access and Improve Outcomes for Essential Client Services
- This item is to increase access to services for people who are Deaf, hard of hearing, and DeafBlind
- It would allow HHSC to serve 5,000 additional clients to increase independence and positive outcomes by funding contracts with additional service providers in currently unserved and underserved HHS regions
- HHSC Regions 2 (Abilene) and 9 (Midland) are currently unserved

\$ in Millions	FY24	FY25	Biennium
General Revenue	\$1.2	\$1.2	\$2.4
All Funds	\$1.2	\$1.2	\$2.4
FTEs	1.0	1.0	

# Exceptional Item #16



## Comply with State and Federal Regulations

- Category: Comply with State and Federal Laws and Regulations
- This item would fund
  - Changes to the nursing facility payment methodology
  - Support for former foster youth and Children's Medicaid recipients to reinstate access to Medicaid after incarceration
  - New residential child care license types approved by prior legislatures
  - 19 FTEs to implement the Home and Community Based Services Settings Rule and Individualized Skills and Socialization Program

\$ in Millions	FY24	FY25	Biennium
General Revenue	\$10.6	\$10.9	\$21.5
All Funds	\$18.2	\$18.5	\$36.7
FTEs	25.8	27.8	

# Exceptional Item #17



## Funding to Support Regulatory Compliance

- Category: Prevent Disruption of Critical Operations and Achieve Efficiencies
- This request would address a backlog of investigations and inspections in long-term care facilities regulated by HHSC that has persisted during the COVID-19 pandemic
- Would fund 31 FTEs approved by the 87th Legislature to address the backlog
- This request also includes the addition of automated testing environments for Regulatory Services Applications

\$ in Millions	FY24	FY25	Biennium
General Revenue	\$4.3	\$4.0	\$8.3
All Funds	\$5.8	\$5.5	\$11.3
FTEs	-	-	

# Exceptional Item #18



**TEXAS**  
Health and Human  
Services

## Maintain Public Facing Offices and Client Supports

- Category: Prevent Disruption of Critical Operations and Achieve Efficiencies
- HHSC has experienced a steady increase in lease costs from FY 2017 and costs increased significantly from \$93.9 million in FY 2021 to an estimated \$102.2 million in FY 2022
- This request includes funding for cost increases and inflation impacts for critical agency functions including leases and major non-client services contracts including onsite security and monitoring, custodial services, building maintenance, pest control, HVAC and plumbing services
- HHSC does not have the ability to absorb further cost increases without closing public facing offices

\$ in Millions	FY24	FY25	Biennium
General Revenue	\$24.1	\$34.0	\$58.1
All Funds	\$29.6	\$41.8	\$71.4
FTEs	-	-	

# Exceptional Item #19



## Application Modernization

- Category: Address IT Infrastructure Needs
- This item would fund the modernization of several IT applications, including
  - Migrating TIERS to the cloud
  - Replacing the aging Accounts Receivable Tracking System (ARTS)
  - Acquiring a Hosted Faxing Solution to better process the 32 million faxes HHSC receives annually.
- It also covers increased Data Center Services (DCS) costs to ensure compliance with Department of Information Resources (DIR) standards and agreements

\$ in Millions	FY24	FY25	Biennium
General Revenue	\$15.9	\$17.7	\$33.5
All Funds	\$29.2	\$31.8	\$60.9
FTEs	-	-	

# Exceptional Item #20



## PMAS Cloud Data Analytics Platform

- Category: Address IT Infrastructure Needs
- The Performance Management and Analytics System (PMAS) is envisioned as the cloud-based approach to supporting and advancing data analytics across HHSC
- Previous investments by the Texas legislature have allowed foundational development of advanced analytics capabilities through dashboards and reports
- This request will improve and expand PMAS by establishing a technical platform, tools, and resources to support and expand cloud-based cross-program analytics

\$ in Millions	FY24	FY25	Biennium
General Revenue	\$8.2	\$5.8	\$14.0
All Funds	\$12.3	\$8.7	\$21.0
FTEs	-	-	



# Exceptional Item #21



## Enhancing Medicaid Enrollment and Contract Management

- Category: Prevent Disruption of Critical Operations and Achieve Efficiencies
- The total number of provider contracts that are managed by Medicaid and CHIP Services staff has increased to 6,000 with a ratio of 450:1 contracts to staff
- This workload volume results in high staff turnover, long timelines and delays with contract enrollments and actions, and stakeholder inquiries and complaints
- This request would reduce that ratio by increasing staff who perform contract management functions including enrollments, amendments, renewals, and terminations; complex change of ownerships; and contract oversight

\$ in Millions	FY24	FY25	Biennium
General Revenue	\$0.8	\$0.8	\$1.6
All Funds	\$1.7	\$1.5	\$3.2
FTEs	18.8	18.8	