CHILDREN'S HEALTH COVERAGE COALITION

FORMERLY THE CHIP COALITION

October Children's Health Coverage Coalition Agenda

Friday, October 21st, 2022

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

Meeting Location: Zoom

Meeting Chair: Clayton Travis – Texas Pediatric Society

11:00 A.M. - 11:05 A.M.	Welcome & Introductions
11:05 A.M. - 11:15 A.M.	CHCC Modality Discussion
11:15 A.M. - 11:25 A.M.	Debriefing on Recent Hearings
11:25 A.M. - 11:35 A.M.	Open Enrollment • Karla Martinez (Every Texan)
11:35 A.M. - 12:00 P.M.	HHSC Update on LAR • Hannah Vardy (HHSC)
12:00 P.M - 12:10 P.M	Optional Brain Break
12:10 P.M. - 12:45 P.M.	CHCC Legislative Priorities

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Children's Health Coverage Coalition Meeting

Friday, October 21st, 2022

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

On Video Conference Call:

Anne Dunkelberg
Karla Martinez
Stacey Pogue
Betsy Coats
Allison McHorse
Sebastion Laroche
Clayton Travis
Shelby Tracy
Adrienne Lloyd
Jen Biundo
Naomi Cruz
Sonia Lara
Alec Mendoza
Diana Forester

Meeting Chair: Clayton Travis – Texas Pediatric Society
Meeting Scribe: Isabel Agbassi - Every Texan

CHILDREN'S HEALTH COVERAGE COALITION
FORMERLY THE CHIP COALITION

CHCC AGENDA

I. CHCC Modality Discussion

Clayton Travis: Is there value to meeting in person anymore? It's a nice opportunity for fellowship and community.

- **Diana Forester:** Could quarterly in-person meetings be an option?
- **Shelby Tracy:** We could meet more frequently and in person during session like most coalitions.
    - **Anne Dunkelberg:** In the past, we worked hard to coordinate with Texas Women's Healthcare Coalition and Cover Texas Now due to the overlap in our agendas.

CT: The coalition meets as a whole during session every month, and the weekly legislative strategy meetings are in addition to that. I like the idea of quarterly in-person meetings and having those scheduled out in advance.

Jen Biundo: I would suggest hybrid, but those are difficult to coordinate to ensure full participation from everyone. It's better to do either or.

Adrienne Lloyd: Something to flag is the content of the in-person meetings. We wouldn't want to have folks in other parts of the state miss out on key decisions.

CT: The pandemic did provide equitable opportunity. Speaking of in-person capital meetings, what date and time did we have ours?

- **Stacey Pogue:** Some variation between sessions, but the 2 past meetings were on Thursdays. We had our meetings formatted in blocks: 2-hour block with half an hour for specific topics like continuous coverage for kids, Medicaid expansion, postpartum coverage, and budget. We did it with CTN and TWHC leaders as well to account for everyone's opinions on overlapping issue areas and avoid repetition.

Shelby Tracy: For strategy meetings, it might be better to do those without zoom to respect the privacy of people in the room.

CT: These discussions are meant to be strategic and not updates.

II. Debrief on Latest Hearings (House Select Committee and others)

Clayton Travis: House Select Committee on Healthcare Reform had a great hearing with CHCC testimonials. Thanks to Anne and Alec for representing. We made recommendations straight out of the Children's Health Coverage Coalition legislative priorities. Charge 4 for eligible but unenrolled children and Charge 5 for ensuring families and children are in preventative primary care were discussed. For Charge 5, Dr. Valerie Smith testified on behalf of organized medicine, and discussed the importance of the medical home, getting immunizations, mental health, etc. My big takeaways are that there is a lot of political will to do

something on eligible but unenrolled children. We also mentioned the exceptional item associated with eligibility staff and the HHSC LAR. So any other observations specifically on the House Select Committee?

- **Jen Biundo:** We did written testimony requesting money for women's health programs. We asked for a 50% increase in the family planning program for the first year in the budget and doubled in the second year. For healthy Texas women, we're asking for caseload growth and admin funding.
    - **CT:** Is any of that represented in the LAR right now?
        - **JB:** They have a pretty good exceptional item that funds caseload growth and funds a portion of that FPP increase.
- **Shelby Tracy:** Our director helped explain who FQHC patients usually are and how many of them are income eligible for coverage expansion and are currently in the coverage gap. We described the hotspots of unmet need as defined by the Bureau of Primary Health Care at the federal level which drives FQHC funding. We hope the conversation helped to make it a priority to identify ways to get eligible and unenrolled kids enrolled. Funding the community partner program could be a successful task.

CT: Oliverson brought up food as a medicine concept and addressed food insecurity and nutritious food access as part of the Medicaid program to lower costs. When discussing social determinants of health, I recommend focusing on discrete intervention you'd like to see done within the Medicaid program and avoid using umbrella terms.

Regarding the Department of State Health Services and Health and Human Services Commission hearings, many partners and organized medicine testified and highlighted exceptional items that are supported by the respective organizations.

- **Adrienne Lloyd:** CDF testified about restoring funding for the community partner program.

III. HHSC Overview of LAR and Exceptional Items

[See Slides]

Questions:

- (Regarding Exceptional Item #5 on Better Birth Outcomes) **CT:** Are these within current programs in Medicaid or setting up new programs to go along with Medicaid?
    - **Hannah Vardy:** These are all existing programs. The first bullet on supporting prenatal and postpartum care is in the family planning program outside of Medicaid. It's for clients that wouldn't be eligible for Medicaid. It's adding to the current services that were already screened for.
- (Regarding Exceptional Item #11: ECI Caseload and Method of Finance) **Diana Forester:** Is there an update on the additional ARPA funds?

    - **Lindsay Rodgers:** We have applied for many grants the past years to support ECI providers. The amendments that are planned to add the additional ARPA dollars are also amendments that will execute agreements for the Personnel Retention Fund grant we got separately from OCEP and Texas Workforce Commission ARPA projects. We got separate budgets from providers on those three distinct supplemental funding sources and are working through them.
- (Regarding Exceptional Item #12 Consolidated Rate Request) **Anne Dunkelberg:** Historically, consolidated rate requests have been part of the consolidated budget and the analysis of rates across Article 2. Is that going to happen again this budget cycle?
    - **Megan Wolfe**: I'm one of the deputy directors with Provider Finance. What we knew of as a consolidated budget in previous years is no longer a requirement. Our team in the provider finance department is working to get similar rate "tables" posted that show percentages to fully fund, anticipated total spends on a biennial basis, and similar information to what folks are familiar with previous consolidated budget rate tables as published last session. The information will essentially be available but in a different format.
        - **AD**: Would this be similar to the rate tables from the 2019 session?
            - **MW**: Very similar.
- **Clayton Travis:** In the original LAR, there was a 5th bullet for female general system surgery that is missing from the 4 bullets shown here for consideration. Has that been taken off the table?
    - **Megan Wolfe:** No, it's still there, but that particular item has not been updated in a number of years based on the total expenditures that it would take. It does include vaginal and C section deliveries, cesarean deliveries, and then associated services with women's surgeries. There were some differences in the way the LAR was submitted on the summary level, so we don't have it listed. It also has not been updated similar to the physician evaluation and management services. The total dollars it would take to fund to go to Medicare or close to Medicare in our methodology is pretty high and that hasn't been achievable yet.
- **CT:** In the LAR, you have three categories in addition (community tenant services, wellness visits for kids and other office visits, and birth related women's health surgeries). Can you talk a little bit about the dynamic between the list of five and the list of three? Is the list of three kinds of diving deeper into these categories? Are they separate? Can you talk a little bit about that?
    - **Megan Wolfe:** I work on the acute care and hospital side as deputy director. So specific to the physician's evaluation, management and then the women's surgeries item, we've called it a couple of different things over the years. Both of those are from a time based perspective and total dollar threshold that we haven't updated for a long time. The total dollars to get there are very high. So that was in order to prioritize preventative services. When it comes to physician evaluation and management, those are basic doctor visits.
        - **CT:** So it's an attempt to carve that number down a bit?
            - **Megan Wolfe:** Correct.

- **CT:** So is there any plan to fill out the placeholder item or is that completely up to the legislature to start to carve out? It sounds like you do have a global number for physician ENM codes. It's just a huge number and we understand that based on the 2015 budget when we tried to equalize Medicaid to Medicare based on the ACA.
    - **Megan Wolfe:** There'll be continued conversations similar to how it's worked in the past. What we have published for now leaves an opportunity for the legislature to make decisions. So they do work with us on a detailed level and ask questions and ask for specific scenarios as we go through. Usually when bill filing starts, we're going to start getting asked and we've already had some questions already, so I anticipate it's going to be a back and forth conversation as we get closer to session.
        - **CT:** In those scenarios, are those publicly available? Are we able to request some of what you already have put together?
            - **MW:** There's an open records request process for any analysis that's complete and done. You all can also ask through the open records process for different things. If it's something we don't have available, though, there may be an associated charge for that depending on staff time and resources it takes to create it.
- **CT:** In the last session, there was Rider 29, which had HHSC study the actuarial soundness of increased rates to pediatric providers given decreases in costly services such as ER visits and preventable hospitalizations, etc. Has any of the information from that study factored into the analysis that was put into the exceptional item request?
    - **MW:** So it's the same team working on it and they did take those same considerations as they were looking and reviewing. That report is about to come out on November 1. So it's not being done separately.They're talking and working but it's a little different when you're looking at potential savings and funding in one way versus funding a rate methodology dollar for dollar without changing anything.
- **Helen Kent Davis:** Are you all putting together any analysis that shows to legislators these ENM codes in the context of the Medicare rate and then what average commercial is? Given how far behind these codes and how they factor in when physicians and others are making decisions about

whether to participate. Since you all are looking at if you increase them to the methodology used by Texas Medicaid and would get them closer to Medicare within the directed payment programs for services that are eligible for higher payment. Those are paid at, as I recall, an average commercial rate.

- **MW:** Definitely for our directed payment program tips. There is an interplay for component three that includes all of these physician evaluation and management codes as you referenced, so there will be continued discussions depending on asks and scenarios. And as you noted, that is based on that average commercial amount. We do have proprietary data that we are not able to publicly distribute based on our contract that has the identified data that we receive that we use for that average commercial information. So depending on the questions that we get, we'll work through that and provide as much information as we can.
    - **HKD:** If the agency says that it can't achieve cost savings within the time frame or for the services available, I do think it'll be really important to help lawmakers understand that, if that is indeed the recommendation. I don't know that it will be, but you're putting forth a recommendation to increase ENM codes, but then have a report that may be interpreted as there is not a need a rate increase or that they're not connected.
        - MW: We did have extensive discussions during those Rider 29 work groups, and we really appreciated the feedback and information that you all provided. So that was definitely taken into account with the drafting. It's still routed through our process, so I cannot discuss specific content. I do acknowledge and understand that there is some interplay between those. I think the focus is a little bit different.

- **HKD:** As you know, the Medicaid managed care plans have contractual rates, and what you're talking about is the fee for service rates. If this is a fee for service rate, how does that interact with what Medicaid managed care plans pay? Increasing the fee for service amount isn't necessary if the plans have that discretion.
    - **MW:** We are very aware that a very small portion of the whole Medicaid population now is still in fee for service. So a lot of the scenarios and questions we get do ask for information specific to managed care and what those rates look like and what they're paying. So I anticipate we'll get that level of granularity in questions, but I can't tell you what that's going to be quite yet. So I think for awareness, we're on the same page and we have that same understanding that there's going to be questions about what those differences look like. And we do have the data available from an MCO encounter standpoint that they submit. The managed care organizations do submit those to HHSC so that we can analyze and evaluate.

IV. Open Enrollment

Karla Martinez: Open enrollment for healthcare.gov is starting November 1 and runs through January 15. So this week, Every Texan, in partnership with our partners at the Texas Association of Community Health Centers and Young Invincibles, held our annual Texas State of Enrollment Conference, where we welcomed enrollment assistors from across the state to come learn about the latest in eligibility and enrollment. We did focus heavily on the ACA marketplace, but also had lots of good content on the PHE, continuous coverage, unwinding requirements, etc. So I appreciate some of the people that are on this call that were able to join us as experts and share with enrollment assistors.

So last open enrollment period, Texas had record high enrollment. We had 1.8 million Texas and Texans enroll, which grew from 550,000 people from the previous year, largely due to there being more financial help available for people to be able to afford plans on a monthly basis. So that was partially because of the ARPA subsidies that were available in 2021, and with the recent Inflation Reduction Act, those subsidies have been extended through 2025. So this year it will continue to be financially affordable and feasible for people to be able to buy and use the health insurance plans available through Healthcare.Gov.

We got a new final rule for the Family Glitch fix, which has previously locked out family members if an employee has an offer of affordable coverage from being able to get subsidies through the ACA marketplace. This is going to be a new window of opportunity for people to have affordable health coverage for them.

- **Anne Dunkelberg:** The ARPA subsidy increases being extended are a huge improvement that may seem understated. So just if there's anybody, you know, encourage people to try again, say if it didn't work out for you two years ago, it's time to go back and give it another look. And strongly encourage people to use application assistors because it can be really hard to figure out, particularly for lower income people who qualify for cost sharing reductions. If they don't have an assistor to steer them to the best deal, they may just totally miss it and think that only high deductible plans are available for them, those sorts of things.

V. Legislative Priorities

Legislative Appropriations Request for Fiscal Years 2024-2025 Overview

Hannah Vardy

Senior Advisor, Chief Program and Services Office, HHSC

October 21, 2022

TEXAS Health and Human Services

TEXAS
Health and Human Services

Key Functions of HHS

- 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

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Health and Human Services

Key Budget Drivers

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
Total Method of Financing	**$86,672,275,962**	**$7,013,110,430**	**$93,685,386,392**
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
Total Agency Request	**$86,672,275,962**	**$7,013,110,430**	**$93,685,386,392**	**38,611.6**	**38,614.8**

Note: Includes 105.5 FTEs requested through exceptional items.

TEXAS
Health and Human Services

Exceptional Item Requests

- 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
Total Exceptional Item Requests	**$ 3,161,032,123**	**$ 6,980,599,239**	**74.3**	**77.5**

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

TEXAS Health and Human Services

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

TEXAS Health and Human Services

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

TEXAS Health and Human Services

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

TEXAS Health and Human Services

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

TEXAS Health and Human Services

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 87th 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

TEXAS Health and Human Services

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

TEXAS Health and Human Services

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

TEXAS Health and Human Services

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

TEXAS Health and Human Services

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

TEXAS Health and Human Services

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

TEXAS Health and Human Services

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

TEXAS Health and Human Services

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

TEXAS Health and Human Services

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

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

TEXAS Health and Human Services

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

TEXAS Health and Human Services

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	

CHILDREN'S HEALTH COVERAGE COALITION
FORMERLY THE CHIP COALITION

2023 Legislative Priorities

When children have health coverage and can get the preventive and primary care they need, studies show that they not only remain healthier, but also perform better in school, putting them on a path towards academic and economic success. Moreover, when they do get sick or injured, they are less likely to use costlier emergency departments to obtain care more appropriately treated elsewhere. As organizations dedicated to improving children's health, the Children's Health Care Coalition (CHCC) is committed to reducing the number of uninsured children to improve health outcomes for them and their families.

Improve Outreach & Enrollment to Help Eligible Children and Pregnant Women Get and Stay Covered

- HHSC must be fully equipped to prevent loss of Medicaid coverage for eligible children when the COVID-19 continuous eligibility policy expires.
- Reboot the HHSC Community Partner Program and provide grants to community-based organizations that provide application assistance and outreach to hard-to-reach families and regions.
- Eliminate administrative hurdles to get enrolled by implementing Express Lane Eligibility, allowing families to update their address online, improving 211 capabilities, and fully staffing HHSC eligibility workers (HHSC EI #2).
- Fund a robust outreach campaign to families with children who are eligible but not enrolled in Medicaid or CHIP. One of four US citizen children residing in Texas has a parent who is not a US citizen, and parents need help with questions about enrolling their U.S. citizen or lawfully present immigrant children into coverage for which the child is eligible.

Invest in Physician & Provider Rates to Ensure Access to Care for Children and Moms

- Promote efficient use of Medicaid dollars by ensuring patients can timely obtain cost-effective care at the right time and place by improving access to physician, dental, mental, and other health professional services through targeted rate increases for maternal and child health services. (HHSC EI #12)
- Support meaningful pay increases for community attendants who serve our most vulnerable Texans: helping an estimated 300,000 Texans with disabilities--including over 24,000 children--and frail elders on Medicaid to remain in their homes and out of institutions. Attendants are paid as little as $8.11 per hour, have no sick leave and no health benefits. (HHSC EI #12)
- Improve timely postpartum depression (PPD) interventions by allowing more frequent screenings in the year following delivery. Texas Medicaid currently pays for 1 screening postpartum as part of the child's well-baby visit. However, national specialty societies recommend up to 4 evaluations in the 12 months postpartum because PPD often develops many months following delivery. Additionally, Medicaid PPD screenings should be expanded in neonatal intensive care units, to screen new mothers with premature and/or critically ill newborns.

Enhance Health Coverage and Services for Kids, Moms, and Families

- Support the financial well-being and health of Texas families by extending meaningful health coverage for uninsured, low-wage parents and adults including ensuring women have comprehensive coverage before, during and after pregnancy.
- Promote better birth outcomes for mothers and babies by ensuring women have timely access to needed medical care not only in the year after pregnancy, *but also well before*. Healthy pregnancies do not begin at conception, but in the years prior, by ensuring timely access to contraceptive services to allow women to better time and space pregnancies, promoting preventive care interventions, such as smoking cessation, and ensuring early diagnosis and management of chronic conditions, such as diabetes, which contribute to higher rates of birth defects when untreated before pregnancy. (HHSC EI #5)
- Invest in home intervention programs, such as the Nurse Family Partnership.
- Reduce unintended teen pregnancies – and high-school dropout rates -- by authorizing Texas CHIP to cover contraceptives with parental consent, a benefit covered by 48 other states.
- Fully fund the Early Childhood Intervention (ECI) Program to ensure babies and toddlers with developmental delays and/or disabilities receive the necessary services to thrive. (HHSC EI #11)

Innovate in Medicaid to Meet Families Where the Live, Work, and Play

- Allow school districts to improve access to timely mental health, counseling and other school health services by

leveraging federal Medicaid funds to provide parentally approved services in school to all Medicaid-enrolled students.
- Constrain Medicaid costs by implementing a cohesive strategy to address non-clinical factors that contribute to poor maternal and child health outcomes, including boosting access to nutritious foods and safe housing.

The Children's Health Coverage Coalition (CHCC) is dedicated to ensuring the health and well-being of Texas children and families. The CHC Coalition engages in public education and advocacy, working closely with state agencies and the Texas Legislature on behalf of children and their families.

CHILDREN'S HEALTH COVERAGE COALITION

FORMERLY THE CHIP COALITION

The Children's Health Coverage Coalition (CHCC) is dedicated to ensuring the health and well-being of Texas children and families.

Members

Children's Defense Fund - Texas
Children's Hospital Association of Texas
Council for a Strong America- Texas
El Paso Health
Every Texan
Feeding Texas
Harris Health System
Healthy Futures of Texas
Methodist Healthcare Ministries of South Texas, Inc.
NAMI Texas
National Association of Social Workers - Texas Chapter
National Service Office for Nurse-Family Partnership and Child First
Teaching Hospitals of Texas
Texans Care for Children
Texas Academy of Family Physicians
Texas Association of Community Health Centers
Texas Association of Community Health Plans
Texas Dental Association
Texas Hospital Association
Texas Impact/Texas Interfaith Center for Public Policy
Texas Medical Association
Texas Parent to Parent
Texas Pediatric Society
TexProtects
United Way of Metropolitan Dallas
United Ways of Texas
Young Invincibles

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