Texas CHIP Coalition
Meeting Minutes

February 15, 2013

Present:	RexAnn Shotwell, TACHC Sonia Lara, TACHC Elizabeth Endres, TACHC Paula Capello, Maximus Linda Rangel, Rep. Naishtat Sr. JT Dwyer, Seton Laura Guerra-Cardus, CDF Melissa Davis, NASW-TX Jennifer Banda, THA Michelle Tijerina, Sendero Becky Huerta, Central Health John Berta, THA Helen Kent Davis, TMA Carrie Kroll, THA Lauren Dimitry, Texans Care for Children Tracy Henderson, HHSC Anne Dunkelberg, CPPP Megan Randall, CPPP Stacey Pogue, CPPP
Conference Line:	Claudia Lindenberg, Central Health Shannon Lucas, March of Dimes Kathy Eckstein, CHAT Melody Chatelle, United Ways of Texas Jennifer, Denton County Health Department Linda Litzinger Robin Chandler, Disability Rights Texas Guadalupe Yanez, Texas Blue Cross Blue Shield Karin Dunn, Gateway to Care Kit Abney Spelce, insure-a-kid
Chair:	Anne Dunkelberg, CPPP
Minutes Scribe:	Megan Randall, CPPP
Next meeting:	March 22, 2013

I. Tracy Henderson, Chief Financial Officer, Texas HHSC, Budget Update

For more details, please see attached presentation slides.

- Discussion of Medicaid/CHIP shortfalls related to HB 1 appropriations for FY 2013
- SB/HB 1 FY 2014 – 2015
- Discussion of Exceptional Items
- JBerta: When we go into 2014 and ACA kicks in, starting January, there is a huge bump in caseload. What is driving that?

        - THenderson: CHIP children between 100% and 133% FPL who now have to be covered in Medicaid. Ages 6 – 18 currently in CHIP and those kids move to Medicaid with enhanced match rate. Other pieces are that there will be a 12 month recertification process instead of a family having to come in and reapply.
- MTijerina: Has there been discussion about continuity of care for children transitioning from CHIP to Medicaid? Or will they be treated as new cases?
    - ADunkelberg: ****We will try to get someone from the commission to come talk to us about this soon.**
- Discussion of Super EF Map – Under ACA, CHIP match rate is set to jump to over 92% federal in 2016, but DC folks say it is very vulnerable to federal budget cuts.
- LGuerra-Cardus: Does HHSC have cost projections for Medicaid going 5+ years forward with/without Medicaid expansion?
    - THenderson: We will have this, but have not finished. Have done a very high level review, but trying to put more tangible costs in right now. There will be some numbers, but not out there yet.
- ADunkelberg: Thanks to Tracy for coming out and speaking to the coalition.
- THenderson: HHSC Council Meeting February 28.
- MChatelle: Thanks to Tracy and everyone at HHSC for doing such a good job

II. Stacey Pogue, Senior Policy Analyst, Center for Public Policy Priorities

- ACA establishes a "Navigator" program through the health insurance exchange (now referred to as the "Marketplace") that will give in-person assistance to people rolling through the exchange – for Medicaid, CHIP, and private insurance.
- Look late winter or early spring for a funding announcement. 30-60 day turnaround window.
    - Wanting funding to go out in June with first training round in July, and to start doing community education/outreach by later summer.
    - Navigators need to be equipped for enrollment assistance by October 1, 2013 even though coverage does not take effect until Jan. 1 of 2014.
    - There is also supposed to be a 2nd round of grant applications to recruit geographic and population areas that didn't get covered in the first round.
- Sister JTDwyer: If the information has to be impartial, it can't be a broker representing one particular group, right?
    - SPogue: Navigators, under federal law, cannot take any money at all from insurance companies, which is how agents are paid today. If someone is licensed as an agent, but wants to be a Navigator, they have to say that they are no longer accepting commissions, trailing commissions included.
- LGuerra-Cardus: Will agents really be interested in being Navigators instead of agents?
    - SPogue: We don't know.
- LGuerra-Cardus: Can businesses be Navigators?
    - SPogue: They are not explicitly included in the law. But when more regulations are released, we will know more about who is/isn't eligible.
- Texas (and all federally facilitated exchanges) will also have "Community Application Counselors." A separate category from Navigators. Can help people enroll in a plan that is "suitable to them." Very little knowledge about this group. Very new. Intended for providers to have a role.

- KAbney Spelce: Are you only a Navigator if you receive one of these grants? Can you still provide this service, but not receive federal funding?
    - SPogue: We don't know yet. FAQ and rules coming soon.
- Training for Navigators will be web-based. They will have an account to get into a portal. The Navigator will log in with an individual ID and will have to pass exams/modules.
- ****Forward the CPPP Navigator webinar invitation to the CHIP coalition listserv. Coalition members should send it to organizations that might need to hear the information.**
- ADunkelberg: Has legislation been filed in Texas that will affect Navigators?
    - SPogue: HB 459. Adds additional regulations for Navigators. ****As soon as final bill is released, Stacey will forward.**
    - ADunkelberg: Encourage folks on call to get plugged in with Stacey if you think you want to be a part of this. It will be important to have a balanced perspective from consumer groups and community organizations.
- Discussion about different web-based portals for CHIP/Medicaid/Marketplace enrollment.
    - Which portal will be used? Will there be two?
    - MTijerina: How will this affect community groups who currently assist with CHIP enrollment?

III. Logistical Items

- ADunkelberg: Would it be helpful for us next month to try to relocate the CTN meeting to TMA? Would allow CTN to have a fuller turnout. ****Will look into this.**
- ADunkelberg: CTN Medicaid expansion activities. Welcome to join. Meeting details went out in e-mail. CTN has a standing 10 – 11 meeting. Have to get call-in # from Stacey.
- ****Will send notice out and call attention to it again.**

IV. Discussion: Comments on draft application for Medicaid, CHIP, tax credits.

- ADunkelberg: RexAnn and Kit listened in on HSS and CMS webinars/conference calls and have a copy of the slides/demo-videos. **** Will send out to CHIP coalition.**
- ADunkelberg: Will be going to a meeting in Washington where I can have more direct contact with CMS and can talk about this.
- Report on Webinar:
    - RShotwell: Liked that they targeted questions to applicant. Uses external database to pull income information for you. Don't have to go look it up.
    - KAbney Spelce: Confusion around income piece. Wasn't sure if data from external database can be kept up to date – what if you left your job?
- Discussion: Duplicative portals? Is there a way to have one portal for communications?
    - ADunkelberg: Don't know if we have answer to this currently.
- ADunkelberg: What would be helpful is coming up with a bullet list of examples, or what you see in the application that might cause problems, and then give that to them.
- Discussion of open enrollment period and what happens if an individual misses the enrollment window.
    - Huge part of necessary outreach message. Need to do it NOW because otherwise people will have to wait to enroll.
    - MTijerina: Will this enrollment period cause confusion about when you can enroll in CHIP and Medicaid?
        - ADunkelberg: Medicaid and CHIP enrollment will always be open. "No wrong door" requirement is absolute.

- More discussion of the two portals. Don't want applications to sit because multiple applications have been filed in two different portals.
    - ADunkelberg: ****Can take this question with me to Washington. What do you do if an application goes into both doors?**

V. Discussion: Comments on Proposed Rule, Centers for Medicare and Medicaid Services, HHS

- ADunkelberg: Covers territory including ACA related stuff. Some is critical to eligibility determinations, etc. Language related to clarifying state obligations. Clarifying the fact that states have to do Medicaid expansion for former foster care kids until 26 years, etc. Changes to cost sharing.
    - Kathy Eckstein has sent me a list of issues that CHAT will comment on. Changes to cost sharing are one of the main things I will pay attention to.
    - National Health Law Program has extensive set of comments. ****Will send out to CHIP Coalition.**
    - Georgetown University Center for Children and Families making draft comments this afternoon. ****Will share these this afternoon, and check website**.
    - Will be getting together very high level comments, and if I can do it by Tuesday or Wednesday, ****I will be happy to circulate and organizations can add their signatory.**
    - Or follow up with me directly.

VI. Maternal and Infant Health Working Group

- ADunkelberg: Thanks to Shannon at March of Dimes for organizing this group. Had first conference call this morning**. **Can the group write up a few bullet-points about the group that we can share with the coalition? **Megan and Anne will get them out.** If you want to be added as a sender to CHIP listserv, let us know.
- CKroll: Visited and it was decided that whoever was interested could participate. We'll be meeting every other week, tracking bills of interest, and the discussion will not be limited to coalition priorities.
- ADunkelberg: Encourage and invite working group to share bills, a couple of bullet points, etc. Things people should pay attention to.
- KDunn: Is the mortality review board on the list?
    - CKroll: Did discuss this morning. Generally people were supportive. Have an e-mail from Lauren and can ask if there is a message that we can get out. ****Carrie will e-mail group asking about this.**

**** Denotes Action Item**

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Presentation to CHIP Coalition on HHSC Funding for the 2014-15 Biennium

Health and Human Services Commission

Tracy Henderson, Chief Financial Officer

February 15, 2013

FY 2013 Additional Funding Needs - $4.61 Billion GR

HHSC

- Medicaid - $3.46 billion General Revenue
  - Cash flow issues related to House Bill 1 appropriations for Medicaid began in January 2013. Authority granted to transfer funding within Medicaid and CHIP to address expenditures delays cash flow issues until mid-March 2013. Transferring any available funds from other HHSC and HHS programs would provide sufficient cash to address expenditures through March 2013.
  - Deferral of managed care payments could occur either in March or April 2013, pursuant to Article II, Special Provisions Section 57.
- CHIP - $90.4 million General Revenue
  - CHIP has cash balances to address expenditures through July 2013, unless balances are used to address Medicaid expenditures.

DADS

- Medicaid - $1.06 billion General Revenue
  - Cash flow issues related to House Bill 1 appropriations for Medicaid began December 2012. Authority granted to transfer funding within DADS to address expenditures covers cash flow issues through March 2013.

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Comparison of Current Biennium with S.B./H.B. 1

Description	FY 2012-13 Exp/Bud (LBE)	FY 2014-15 S.B. 1	FY 2014-15 H.B. 1
GOAL 1 - Enterprise Oversight and Policy	$ 1,896,885,885	$ 1,871,160,850	$ 1,871,160,850
GOAL 2 - Medicaid	$ 40,144,104,602	$ 41,829,811,164	$ 42,635,119,379
GOAL 3 - CHIP	$ 2,351,300,678	$ 1,833,697,204	$ 1,846,401,830
GOAL 4 - Encourage Self-Sufficiency	$ 358,542,373	$ 394,867,677	$ 394,867,677
GOAL 5 - Program Support	$ 319,042,197	$ 309,127,471	$ 309,127,471
GOAL 6 - Information Technology	$ 141,235,333	$ 127,691,872	$ 127,691,872
GOAL 7 - Office of Inspector General	$ 93,244,461	$ 96,551,305	$ 96,551,305
TOTAL AGENCY REQUEST	$ 45,304,355,529	$ 46,462,907,543	$ 47,280,920,384
General Revenue	$ 17,956,682,760	$ 18,502,740,635	$ 18,841,358,840
General Revenue - Dedicated	$ 4,587,828	$ -	$ -
Other Funds	$ 795,963,914	$ 794,944,245	$ 794,944,245
Federal Funds	$ 26,547,121,027	$ 27,165,222,663	$ 27,644,617,299
TOTAL, METHOD OF FINANCING	$ 45,304,355,529	$ 46,462,907,543	$ 47,280,920,384
FTES	**12,366.7**	**12,375.7**	**12,375.7**

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Summary of S.B./H.B. 1

- HHSC program, administrative, and support operations would be maintained at FY 2012-13 service levels in both bills
- Client Services for the 2014-15 Biennium
  - Caseloads
    - S.B. 1 Medicaid and CHIP caseloads are held at August 2013 levels.
    - H.B. 1 caseloads for Medicaid are very close to HHSC estimates. HHSC estimates for CHIP caseloads are higher than H.B. 1
  - Costs
    - Medicaid and CHIP costs are held at average costs for fiscal year 2013 in both bills. Funding for growth of cost and utilization trends is not included.
    - Differences in average costs per member are due to case mix of the caseload variances
  - Both bills acknowledge movement of CHIP children under 133% FPL to Medicaid pursuant to the Affordable Care Act
    - 68,117 clients in FY 2014
    - 261,521 clients in FY 2015

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Summary of S.B./H.B. 1

- Medicaid estimates do not include the following caseload impacts resulting from implementing the Affordable Care Act requested by HHSC
  - Medicaid coverage for former Foster Care children to age 26
  - Requirement for twelve month eligibility certification and administrative renewals which results in a net increase of clients eligible for services
  - Estimated impact of caseload growth from children eligible but not enrolled as their families seek health care coverage from the exchange
- Medicaid Cost Containment
  - Medicaid and CHIP funding require the implementation of additional savings and cost and containment initiatives - $250 million GR and ($602 million All Funds)
  - HHSC would focus on cost containment initiatives to achieve efficiencies and ensure appropriate use of Medicaid services rather than reduce services or benefits.
  - Maintain savings from cost containment initiatives implemented in FY 2012-13.

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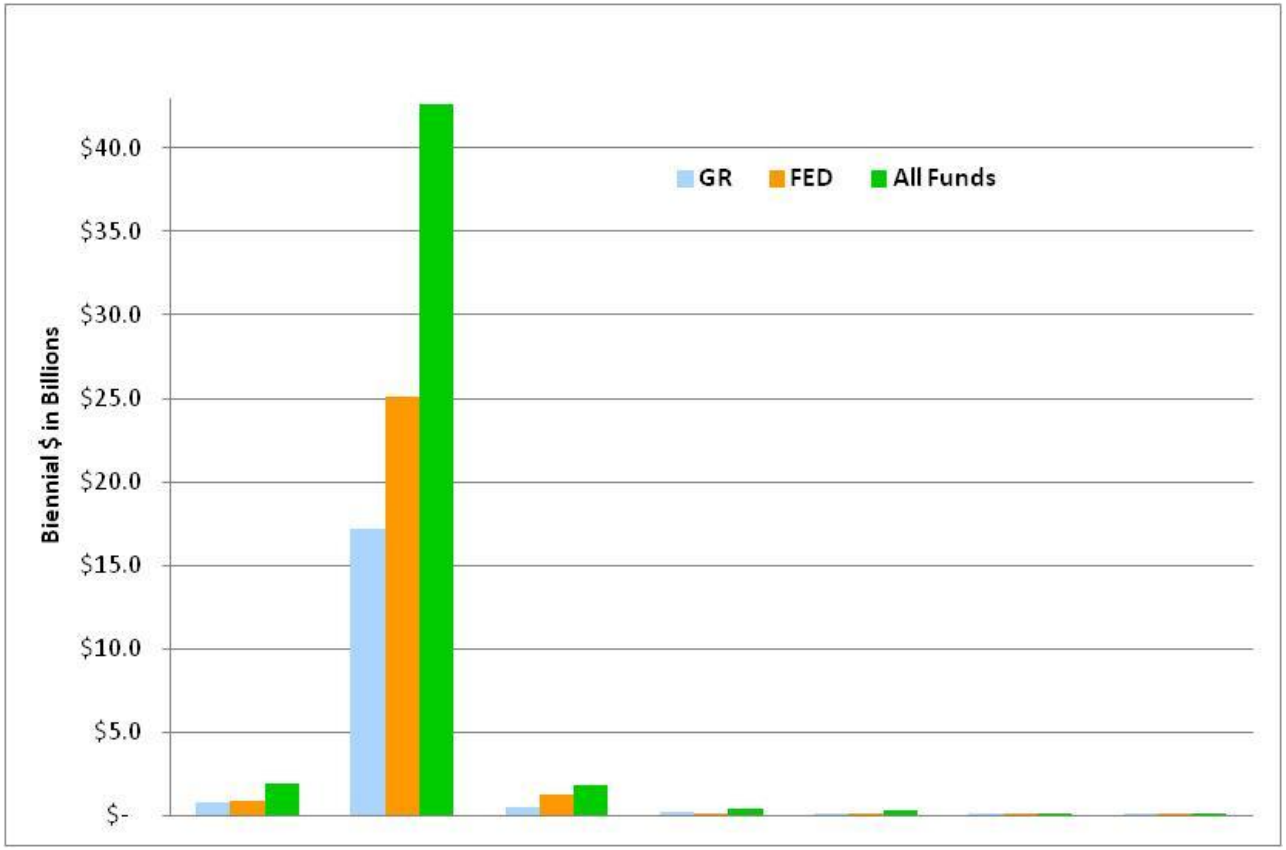
Summary of H.B. 1

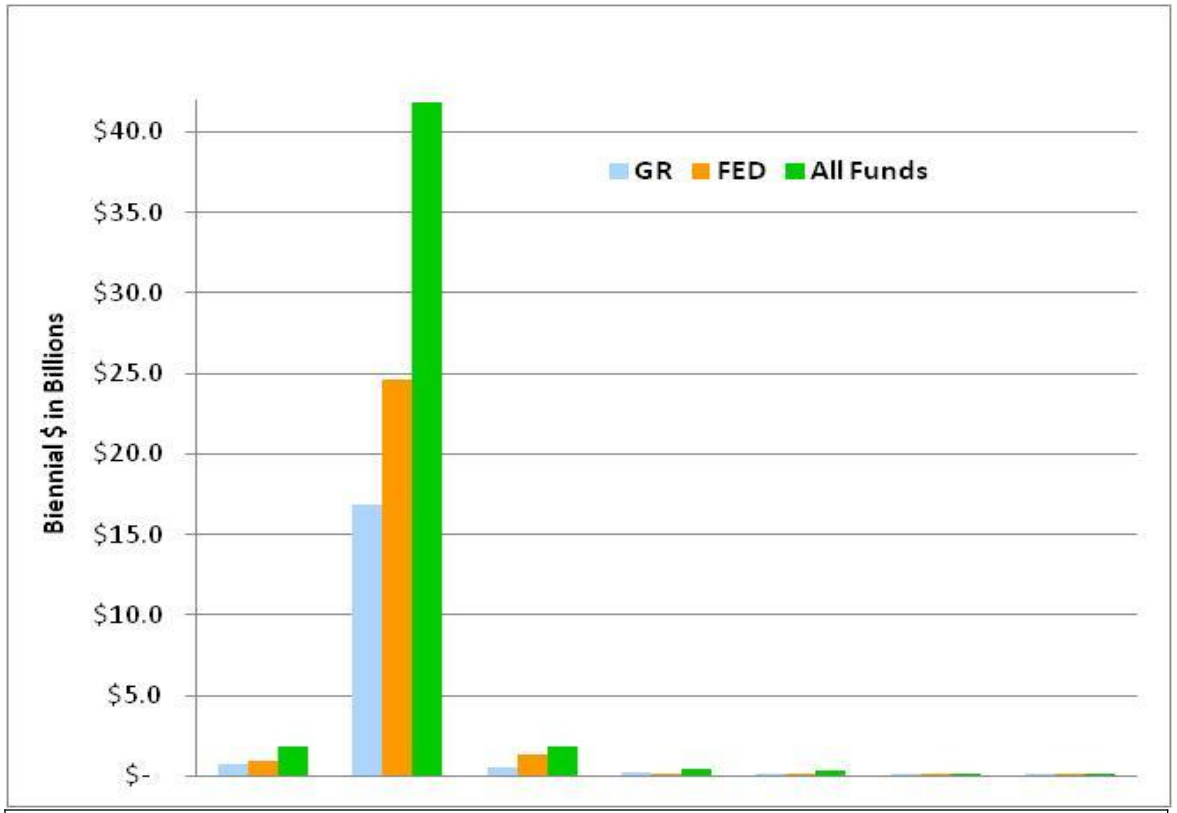
- Additional funding is still needed to address vulnerabilities of systems and infrastructure:
  - Certain HHS Information Technology systems, hardware, & facilities, and
  - Aging infrastructure at State Hospitals & State-Supported Living Centers
- Some cost containment initiatives requiring system changes to the TIERS system may not be implemented until FY 2015 due to limitation of capacity and resources implementing federally required changes

H.B. 1 – FY 2014-2015 (by Goal, $ in billions) - $47.3 AF



	Enterprise Oversight & Policy	Medicaid	CHIP	Encourage Self Sufficiency	Program Support	TIERS	Office of Inspector General
GR	$ 759.5	$ 17,182.3	$ 543.6	$ 227.6	$ 34.9	$ 62.6	$ 30.9
FED	$ 911.7	$ 25,124.4	$ 1,302.8	$ 167.3	$ 32.1	$ 65.1	$ 41.3
All Funds	$ 1,871.2	$ 42,635.1	$ 1,846.4	$ 394.9	$ 309.1	$ 127.7	$ 96.6

S.B. 1 – FY 2014-2015 (by Goal, $ in billions) - $46.5 AF



	Enterprise Oversight & Policy	Medicaid	CHIP	Encourage Self Sufficiency	Program Support	TIERS	Office of Inspector General
GR	$ 759.5	$ 16,847.4	$ 539.9	$ 227.6	$ 34.9	$ 62.6	$ 30.9
FED	$ 911.7	$ 24,654.0	$ 1,293.8	$ 167.3	$ 32.1	$ 65.1	$ 41.3
All Funds	$ 1,871.2	$ 41,829.8	$ 1,833.7	$ 394.9	$ 309.1	$ 127.7	$ 96.6

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Clients Served in Selected Programs

Program	FY 2013	S.B. 1 FY 2014	SB 1 FY 2015
Acute Medicaid – Average Medicaid Acute Care Recipient Months per Month *	3,689,607	3,810,861	4,058,167
Requested Medicaid Caseload with EI #1 & 3		3,990,099	4,515,101
Children's' Health Insurance Program (CHIP) – Average CHIP Programs Recipient Months per Month *	618,303	553,897	361,946
Requested CHIP Caseload with EI #2		572,185	386,100
Temporary Assistance for Needy Families (TANF) Cash Assistance – Average Number of TANF Recipients per Month	95,436	96,391	97,355
Family Violence Shelter Services – Number of Persons Served by Family Violence Programs/Shelters	79,000	79,000	79,000
Supplemental Nutrition Assistance Program (SNAP) – Average Number of SNAP Recipients per Month	4,127,207	4,176,501	4,259,749

* *S.B. 1 funding assumes Medicaid and CHIP caseloads flat at August 2013 levels*

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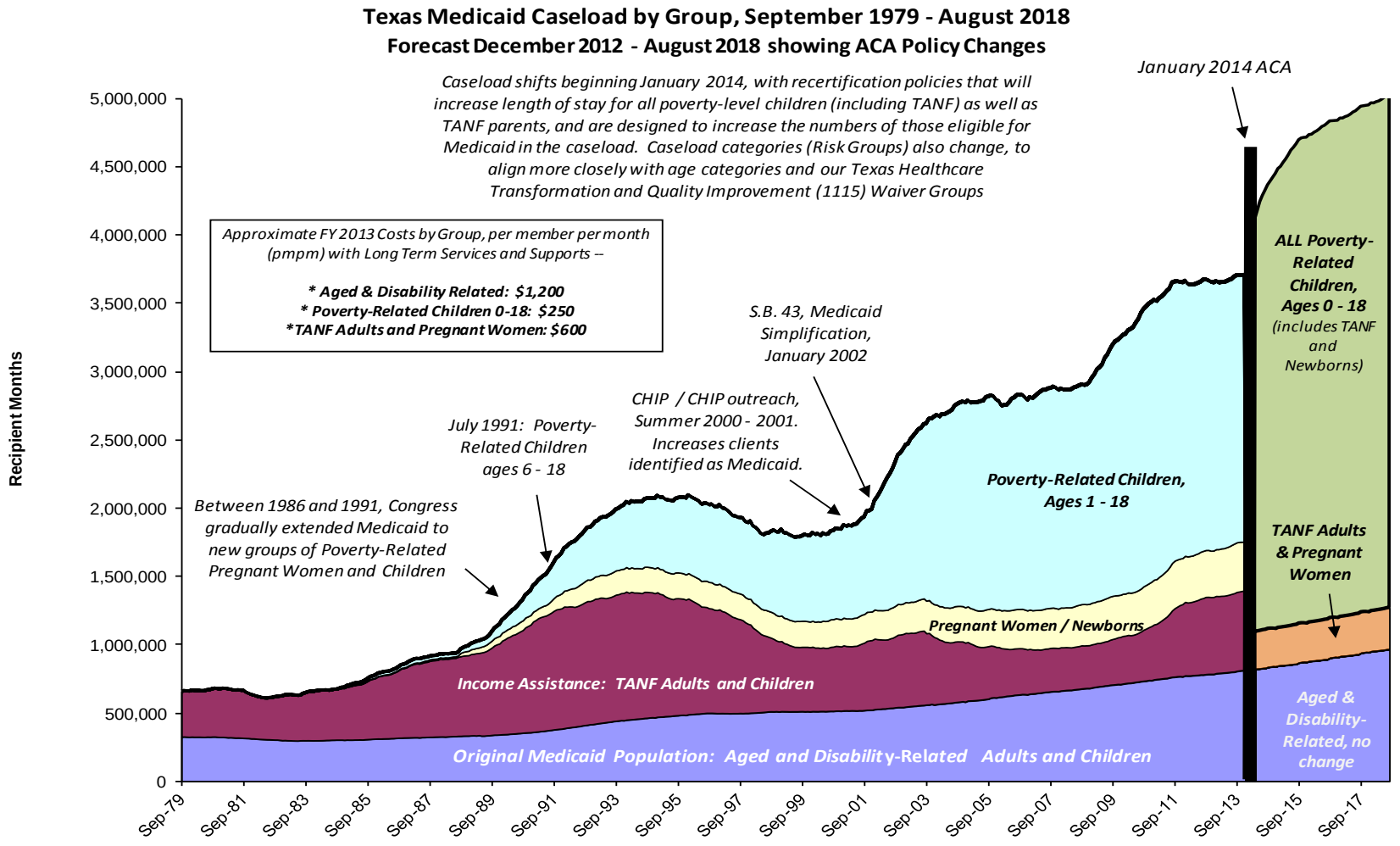
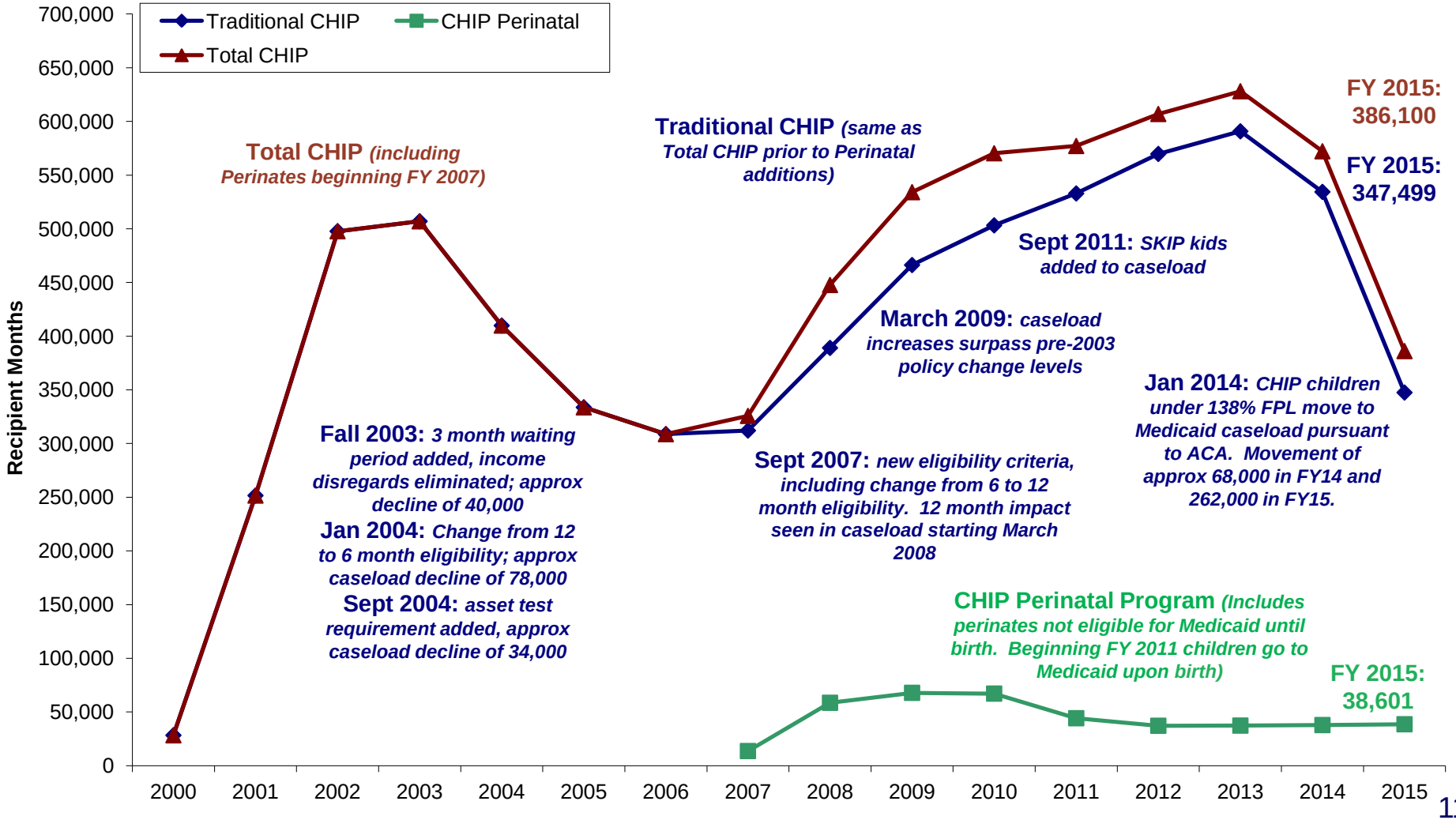
Medicaid Caseload by Group 1979-2018



Children's Health Insurance Program Caseloads - Fiscal Years 2000 - 2015



Final SFY 2012 - 2015 is estimated

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Exceptional Items

		FY 2014		FY 2015		BIENNIAL TOTAL		FY 14	FY 15
		GR	All Funds	GR	All Funds	GR	All Funds	FTEs	FTEs
	S.B. 1 Introduced	**9,168,882,751**	**23,246,037,403**	**9,333,857,884**	**23,216,870,140**	**18,502,740,635**	**46,462,907,543**	**12,375.7**	**12,375.7**
EXCEPTIONAL ITEMS:									
1	Maintain Medicaid Current Services	634,941,391	1,357,193,449	1,318,400,908	2,854,530,228	1,953,342,299	4,211,723,677	-	-
2	Maintain CHIP Current Services	20,252,032	70,124,765	29,656,237	101,354,193	49,908,269	171,478,958	-	-
3	Provide Medicaid Services Required by Certain ACA Provisions	192,600,812	477,569,058	567,495,302	1,360,299,225	760,096,113	1,837,868,282	128.5	288.7
4	Implement Fraud Integrity Initiative and Improve OIG Staffing	10,424,310	40,004,673	8,326,489	22,173,387	18,750,799	62,178,061	105.7	105.6
5	Support Office of Acquired Brain Injury (OABI) and Implement Acquired Brain Injury Waiver Services	1,520,997	3,097,377	1,303,597	2,480,792	2,824,594	5,578,169	4.0	5.1
6	Implement Information Security Improvements & Application Provisioning Enhancements	3,584,281	5,346,691	2,089,797	3,285,191	5,674,078	8,631,882	-	-
7	Improve Security Infrastructure for Regional HHS Client Delivery Facilities	1,197,682	1,691,365	-	-	1,197,682	1,691,365	-	-
8	Expand PCP Rate Increase for XIX OB/GYNS and 2% Reductions for PCPs	29,273,838	70,641,500	14,714,235	35,167,866	43,988,073	105,809,366	-	-
9	Community Attendant Care Wage Increases - $0.50 per Hour	57,208,871	138,690,856	119,667,919	290,711,919	176,876,790	429,402,775	-	-
10	Increase HHS Recruitment and Retention of Direct Care Workers	14,270,744	23,755,849	14,270,744	23,755,849	28,541,488	47,511,698	-	-
11	Expand Family Violence Program & Prevention	1,250,000	1,250,000	1,250,000	1,250,000	2,500,000	2,500,000	-	-
12	Upgrade Winters Data Center Facilities	2,220,800	4,000,000	-	-	2,220,800	4,000,000	-	-

TEXAS Health and Human Services Commission

Exceptional Items

	FY 2014		FY 2015		BIENNIAL TOTAL		FY 14	FY 15
	GR	All Funds	GR	All Funds	GR	All Funds	FTEs	FTEs
S.B. 1 Introduced	**9,168,882,751**	**23,246,037,403**	**9,333,857,884**	**23,216,870,140**	**18,502,740,635**	**46,462,907,543**	**12,375.7**	**12,375.7**
EXCEPTIONAL ITEMS:								
13 Maintain Support of State-Operated Facilities	2,904,705	4,423,234	498,985	724,906	3,403,690	5,148,140	1.0	1.0
14 Retire Legacy CARE System across Enterprise Agencies	8,998,440	25,865,991	7,406,194	7,406,194	16,404,634	33,272,185	2.0	4.0
15 Continue International Classification of Diseases (ICD-10)	424,201	848,403	369,340	1,474,761	793,541	2,323,164	-	-
16 Secure Mobile Infrastructure & Enterprise Communications	11,420,258	17,359,770	-	-	11,420,258	17,359,770	-	-
17 Complete Enterprise Data Warehouse Medicaid Initiative	3,441,477	18,047,805	3,110,771	17,583,575	6,552,248	35,631,380	13.1	13.1
18 Upgrade HHSAS Financials - Hardware Remediation (HHS Agencies)	937,473	1,293,155	234,498	323,467	1,171,971	1,616,622	-	-
19 Improve Community Resources Coordination Group (CRCG) Program Support	157,624	279,709	149,927	266,052	307,552	545,761	2.0	2.0
20 Increase Support of Healthy Marriage Program Support	596,792	596,855	589,905	590,025	1,186,698	1,186,880		
21 Implement Initiatives to Address Disproportionality and Disparities Across HHS System	230,810	318,445	220,866	304,789	451,676	623,234	2.0	2.0
22 PLACEHOLDER: Dual Eligibles Integrated Care Project - ACA	-	-	-	-	-	-		
Total Exceptional Requests	**$ 997,857,538**	**$ 2,262,398,951**	**$ 2,089,755,714**	**$ 4,723,682,419**	**$ 3,087,613,252**	**$ 6,986,081,369**	**258.4**	**421.6**
S.B. 1 Introduced + Exceptional Items	**$ 10,166,740,289**	**$ 25,508,436,354**	**$ 11,423,613,598**	**$ 27,940,552,559**	**$ 21,590,353,887**	**$ 53,448,988,912**	**12,634.1**	**12,797.3**

EXCEPTIONAL ITEM DIFFERENCES IN H.B. 1

	FY 2014		FY 2015		BIENNIAL TOTAL		FY 14	FY 15
	GR	All Funds	GR	All Funds	GR	All Funds	FTEs	FTEs
H.B. 1 Introduced	9,246,306,026	23,436,022,809	9,595,052,814	23,844,897,575	18,841,358,840	47,280,920,384	12,375.7	12,375.7
EXCEPTIONAL ITEMS:								
1 Maintain Medicaid Current Services	558,855,511	1,171,838,911	1,059,568,360	2,234,576,551	1,618,423,871	3,406,415,462	-	-
2 Maintain CHIP Current Services	$ 18,914,638	$ 65,493,897	$ 27,293,855	$ 93,280,435	$ 46,208,493	$ 158,774,332	-	-
Total Exceptional Requests	**$ 920,434,264**	**$ 2,072,413,544**	**$ 1,828,560,784**	**$ 4,095,654,984**	**$ 2,748,995,048**	**$ 6,168,068,528**	**258.4**	**421.6**
H.B. 1 Introduced + Exceptional Items	**10,166,740,290**	**25,508,436,353**	**11,423,613,598**	**27,940,552,559**	**21,590,353,888**	**53,448,988,912**	**12,634.1**	**12,797.3**

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Appendix
Exceptional Item Requests

Item # 1

Provide Medicaid Current Services (Caseload, Cost Growth, and ACA Excise Tax)

This request represents the incremental costs associated with the FY 2014-15 Medicaid costs estimates over the FY 2013 levels and caseload growth assumed in S.B. 1. The request also includes the projected caseload increases over the August 2013 level, which is the assumption for S.B. 1 funding.

($ in Millions)	FY 2014	FY 2015	Biennium
General Revenue	$634.9	$1,318.4	$1,953.3
All Funds	$1,357.2	$2,854.5	$4,211.7

Program Impact	FY2014	FY2015
Avg Acute and STAR+PLUS Client Services Cost Per Month	$30.20	$46.76

This request represents the incremental costs associated with the FY 2014-15 Medicaid costs estimates over the FY 2013 levels and caseload growth assumed in S.B 1. The request also includes the projected caseload increases over the August 2013 level, which is the assumption for S.B. 1 funding.

Caseload differences account for 11% of the total cost of the item. Caseload in FY 2014 is slightly higher in S.B.1, however growth in FY 2015 results in an average caseload difference of over 86,000 clients each month.

The portion of the cost attributed to the federal ACA excise tax for these Medicaid costs is estimated to be $53.2 million GR ($128.5 million All Funds). Fiscal year 2015 is the first year in which we anticipate paying the ACA tax for premiums paid from 2013. Estimates are based on data available at this time.

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Item # 2

Maintain CHIP Current Services (Caseload, Cost Growth, and ACA Excise Tax)

This request represents the incremental costs associated with FY 2014-15 CHIP costs estimates over the FY 2013 levels and caseload growth assumed in S.B. 1. The request also includes the projected caseload increases over the August 2013 level, which is the assumption for S.B. 1 funding.

CHIP children under 138% FPL are expected to move to Medicaid starting in January 2014 due to ACA legislation. This request includes the impact of this movement.

($ in Millions)	FY 2014	FY 2015	Biennium
General Revenue	$20.3	$29.7	$49.9
All Funds	$70.1	$101.4	$171.5

Program Impact	FY2014	FY2015
Avg CHIP Benefit Cost with Prescription Benefit Per Recipient Month	$4.38	$7.58

The underlying CHIP caseload trend is assumed to be 2.0% in FY 14 and 1.9% in FY 15. After removing children under 138% FPL, the trends fall to negative 9% and negative 33%, respectively. CHIP caseload differences account for 55 percent of this exceptional item, and regular CHIP cost growth accounts for 45 percent of this exceptional item.

The portion of the cost attributed to the federal ACA excise tax for these CHIP costs is estimated to be $2.1 million GR ($7.3 million All Funds). Fiscal year 2015 is the first year in which we anticipate paying the ACA tax for premiums paid from 2013. Estimates are based on data available at this time.

TEXAS Health and Human Services Commission

Item # 1

Provide Medicaid Current Services (Caseload, Cost Growth, and ACA Excise Tax)

This request represents the incremental costs associated with the FY 2014-15 Medicaid costs estimates over the FY 2013 levels assumed in H.B. 1.

Costs represent 93.7 percent of this request or $1,516.5 million GR ($3,175.7 million All Funds) . Caseload is approximately 3.0 percent or $48.8 million GR ($102.2 million All Funds).

($ in Millions)	FY 2014	FY 2015	Biennium
General Revenue	$558.9	$1,059.6	$1,618.4
All Funds	$1,171.8	$2,234.6	$3,406.4

Program Impact	FY2014	FY2015
Avg Acute and STAR+PLUS Client Services Cost Per Month	$27.70	$41.08

The portion of the cost attributed to the federal ACA excise tax for these Medicaid costs is estimated to be $53.2 million GR ($128.5 million All Funds) or 3.3 percent of this request. Fiscal year 2015 is the first year in which we anticipate paying the ACA tax for premiums paid from 2013. Estimates are based on data available at this time.

Item # 2

Maintain CHIP Current Services (Caseload, Cost Growth, and ACA Excise Tax)

This request represents the incremental caseload and costs associated with FY 2014-15 CHIP estimates over the FY 2013 levels assumed in H.B. 1.

CHIP children under 138% FPL are expected to move to Medicaid starting in January 2014 due to ACA legislation. This request includes the impact of this movement.

The underlying CHIP caseload trend is assumed to be 2.0% in FY 14 and 1.9% in FY 15.

($ in Millions)	FY 2014	FY 2015	Biennium
General Revenue	$18.9	$27.3	$46.2
All Funds	$65.5	$93.3	$158.8

Program Impact	FY2014	FY2015
Avg CHIP Benefit Cost with Prescription Benefit Per Recipient Month	$4.44	$9.25
Avg CHIP Recipient Months per Month	18,288	24,154

After removing children under 138% FPL, the trends fall to negative 9% and negative 33%, respectively. CHIP caseload differences account for 49.0 percent of this exceptional item or $22.6 million GR ($77.7 million All Funds. CHIP cost growth accounts for 46.4 percent of this exceptional item or $21.5 million GR ($73.8 million All Funds).

The portion of the cost attributed to the federal ACA excise tax for these CHIP costs is estimated to be $2.1 million GR ($7.3 million All Funds) or 4.6 percent. Fiscal year 2015 is the first year in which we anticipate paying the ACA tax for premiums paid from 2013. Estimates are based on data available at this time.

TEXAS Health and Human Services Commission

Item # 3

Provide Medicaid Services Required by Certain Affordable Care Act Provisions

Certain ACA provisions will increase Medicaid caseloads and related Eligibility Support Services contracts that incur costs associated with caseload growth.

This request relates to cost for Medicaid services associated with additional caseload growth in the 2014-15 biennium for :

($ in Millions)	FY 2014	FY 2015	Biennium
General Revenue	$192.6	$567.5	$760.1
All Funds	$477.6	$1,360.3	$1,837.9

FTEs	**128.5**	**288.7**

1. *Medicaid coverage of former foster care children to age 26 (4,366 / 6,583)*
2. *Children who are currently eligible but not enrolled in Medicaid (104,856 / 238,757)*
3. *Implementation of a 12 month Recertification (86,873 / 192,971)*

The biennial costs associated with the clients services impact is $738.9 million GR and $1.8 billion All Funds.

- *Foster Care - $28.2 million GR ($71.8 million All Funds) or 4 percent*
- *Currently Eligible Not Enrolled - $378.5 million GR ($915.7 million All Funds) or 51 percent*
- *12-Month Recertification - $332.2 million GR ($808.0 million All Funds) or 45 percent*

Eligibility-related supports for, enrollment broker and TMHP costs and additional eligibility staffing total $21.2 million GR and $42.4 million All Funds.

Item # 4

Improve Office of Inspector General Staffing and Support and Improve Program Integrity

($ in Millions)	FY 2014	FY 2015	Biennium
General Revenue	$10.4	$8.3	$18.8
All Funds	$40.0	$22.2	$62.2

FTEs	105.7	105.6

The increase in the number of referrals and size of the OIG investigations and reviews would require additional staff to: significantly reduce time required to complete investigations, conduct investigations and reviews, perform encounter data analysis activity including targeted queries designed to assess adherence to Medicaid policy; assist with actuarial and statistical analyses of the claims and populations under investigation, perform financial and data analysis reviews to detect emerging trends, patterns and system issues which will result in the identification of inappropriately paid claims to Medicaid providers; attorneys to assist in increased litigations.

With an additional 106 FTEs ($9.0 million GR and $23.8 million All Funds), there would be an increase in cost recovery and cost avoidance as a result of sufficient staff to investigate fraud/overpayment and referrals.

Funding of $9.7 million GR and $38.4 million All Funds would allow HHSC, DADS and DSHS to implement provider and supplier screening and enrollment requirements in Medicare, Medicaid, and CHIP and to enroll providers in accordance with a designated level of risk of waste, fraud and abuse (low, moderate or high). HHSC would contract with the Medicaid claims administrator or other third party to perform required activities for provider screening, enrollment, and monitoring. Screening requirements performed by OIG include licensure and database checks, criminal background checks, unscheduled and unannounced pre-enrollment site visits for moderate and high risk providers, and fingerprinting for high risk providers.

Item # 5

Support Office of Acquired Brain Injury (ABI) and Implement ABI Waiver Services

This funding request will increase services and supports for individuals with an acquired brain injury and their families.

($ in Millions)	FY 2014	FY 2015	Biennium
General Revenue	$1.5	$1.3	$2.8
All Funds	$3.1	$2.5	$5.6

FTEs	4.0	5.1

- *Funding of $1.0 million GR ($1.0 million All Funds) will allow the continuation of OABI operations after the expiration of federal funds in 2013 and expand the work of the office to include military and veterans, stroke and cardiovascular awareness, prevention and rehabilitation referral/coordination services; children and youth; elderly; rural; border and other programs in accordance with the OABI mission and strategic plan. The office ensures linkages internally and externally for the enterprise to identify common services and cost-saving programs as well as gaps in services. Funding will continue the one FTE currently federally-funded as well as increase OABI staffing to 5.1 FTEs by FY 2015.*
- *Additional funding of $1.9 million GR ($4.6 All Funds) will cover the costs associated with providing cognitive rehabilitation therapies to individuals with an acquired brain injury (ABI) who are currently enrolled in STAR+Plus at HHSC and other long-term-care waivers at DADS. Includes administrative costs at both agencies.*

The biennial costs at DADS totals $0.4 million GR ($1.0 million in All Funds). The biennial cost at HHSC totals $1.5 million GR ($3.6 million All Funds). Freed-up GR resulting from the temporary increase in federal match for Balancing Incentives Program could be a source of funding to support this request to add services.

The estimated number of individuals with an acquired brain injury that will be served is 738 in FY 2014 and 757 in FY 2015.

TEXAS Health and Human Services Commission

Item # 6

Implement Information Security Improvements & Application Provisioning Enhancements

HHSC IT provides critical services that help secure information throughout the HHS organization. There has been an increase in volume and complexity of threats to the security of information resources in general, and HHSC IT must continue to evolve in its capabilities to protect the HHS information resources.

($ in Millions)	FY 2014	FY 2015	Biennium
General Revenue	$3.6	$2.1	$5.7
All Funds	$5.3	$3.3	$8.6

Hackers and attackers are finding increased value in healthcare data, creating an ever greater risk of security breaches, unauthorized disclosure of confidential information, and the breach of client privacy.

The initiatives specified in this request improve the capabilities to prevent and detect security incidents including confidential data breaches. The improvements facilitated by these initiatives are necessary to achieve standards of protection that are comparable to organizations of similar size and information security requirements. Measures include Enterprise Security Controls; Access Control, Identification and Authentication; and Improved Monitoring.

The improved security of confidential information and technology resources helps to reduce risks associated with confidential information and technology. The security improvements would also reduce the impact and number of security breaches, improve operational efficiency related to compliance requirements, and reduce costs associated with fines and increased regulatory scrutiny.

TEXAS Health and Human Services Commission

Item # 7

Improve Security Infrastructure for Regional HHS Client Delivery Facilities

Funding will be used to improve security infrastructure at regional HHS facilities for the improved safety of both clients and staff.

Enhancements include installation of keyless access systems at 90 facilities, installation of video surveillance systems at 31 facilities, parking lot fencing and lighting at 5 facilities.

Given the recent tragic events, there is an expectation from staff and clients that HHS agencies continue to improve office safety and security measures.

($ in Millions)	FY 2014	FY 2015	Biennium
General Revenue	$1.2	$0.0	$1.2
All Funds	$1.7	$0.0	$1.7

Agency Request # 8

Expand PCP Rate Increase for Medicaid OB/GYNS & 2% Reductions for PCPs

Effective January 1, 2013, the Affordable Care Act (ACA) directs states to increase reimbursement to certain primary care providers (family practitioners, internal medicine providers, pediatricians, and associated subspecialists) for specific procedure codes, classified as primary care services in the ACA, at the Medicare reimbursement rate for two calendar years from January 1, 2013, through December 31, 2014. Most of the cost is federal funding.

($ in Millions)	FY 2014	FY 2015	Biennium
General Revenue	$29.3	$14.7	$44.0
All Funds	$70.6	$35.2	$105.8

- *This exceptional item funds the cost to maintain for the last eight months of FY 2015, the 2 percent rate reduction for these primary care providers that had to be restored to qualify for the federally-funded increase. The cost in FY 2015 is $3.5 million GR and $8.3 million All Funds*

- *This request will also extend the rate increase to obstetricians and gynecologists providing primary care services at the higher reimbursement through December 2014 and for the 2 percent restoration for the eight month period (January 2015-August 2015). The cost for applying the increased reimbursement to OB/GYNs is $40.5 million GR ($97.5 million All Funds).*

Item # 9

Increase Community Attendant Hourly Wage 50 Cents Annually

Funding will provide a $0.50 cent per hour increase in FY 2014 and an additional $0.50 cent per hour increase in FY 2015 to attendants assisting Medicaid clients in community settings through certain programs at DADS and HHSC. Wage increase will be targeted to the programs with the lowest hourly wage rates.

($ in Millions)	FY 2014	FY 2015	Biennium
General Revenue	$57.2	$119.7	$176.9
All Funds	$138.7	$290.7	$429.4

Increasing these wages will address high turnover and improve retention and recruitment of these direct care workers, and improve the quality and continuity of care received by our clients. The percent of salary increase ranges from 5.4 to 6.9 percent annually, depending upon the minimum hourly wage and program. Freed-up GR resulting from the temporary increase in federal match for Balancing Incentives Program could be a source of funding to support this request to increase wages.

The biennial cost to DADS community programs is $76.6 million GR ($180.1 million All Funds).

The biennial cost to HHSC community programs is $100.3 million GR ($249.3 million All Funds).

TEXAS Health and Human Services Commission

Item # 10

Increase HHS Recruitment and Retention of Direct Care Workers

HHSC requests this exceptional item in support of the Department of Aging and Disability Services (DADS) and Department of State Health Services (DSHS) efforts in improving recruitment and retention in critical positions in state supported living centers and state mental health hospitals.

($ in Millions)	FY 2014	FY 2015	Biennium
General Revenue	$14.3	$14.3	$28.5
All Funds	$23.8	$23.8	$47.5

Funding will allow DADS and DSHS to provide a 10 percent salary increase to over 13,000 staff in critical direct health care positions to improve retention and recruitment of these staff, and improve the quality and continuity of care received by our clients. This request is in addition to requests in the DADS and DSHS LARs for funding salary increases for other health professionals in these facilities.

This funding request includes costs in FY 2014-15 of $32.7 million All Funds and $13.8 million GR for DADS and $14.8 million All Funds and GR for DSHS.

TEXAS Health and Human Services Commission

Item # 11

Expand Family Violence Prevention and Victim Services

Funding will enable family violence service providers and other community-based organizations to provide economic stability, legal, primary prevention and domestic violence fatality review services over and above the core services. These additional services assist victims with leaving the shelter, help reduce the incidence of repeat family violence, and strengthen families.

Provision of these services supports clients in attaining ongoing economic stability and legal security, which can reduce their need to seek family violence services in the future.

($ in Millions)	FY 2014	FY 2015	Biennium
General Revenue	$1.3	$1.3	$2.5
All Funds	$1.3	$1.3	$2.5

Program Impact	FY2014	FY2015
HHSC Avg Cost Per Person Receiving Emergency Shelter Services FVP	$840.09	$840.09
Number of Persons Served by Family Violence Programs/Shelters	1,686	1,686

TEXAS Health and Human Services Commission

Item # 12

Upgrade Winters Data Center Facilities

($ in Millions)	FY 2014	FY 2015	Biennium
General Revenue	$2.2	$0.0	$2.2
All Funds	$4.0	$0.0	$4.0

This project includes the installation of diesel powered generator(s) to provide backup power in the event of a power supply failure from the City of Austin provided electrical circuits. It also includes the installation of new server cabinets and cabling systems inside the data center to improve the security, reliability and supportability of electrical and data distribution, and to address multiple audit findings related to the current obsolete infrastructure.

These improvements will be realized for all of the agencies that have technology assets located in the Winters Data Center, including HHSC, DADS, DSHS, DFPS and DIR. This project will improve the availability of applications, including the TIERS application, hosted on servers located in the Winters Data Centers by eliminating unplanned power outages, improving response time for hardware issues and eliminating outages caused by damaged cabling systems. The installation of diesel powered backup generators is the industry standard best practice for providing backup power in case of power failure. Secure cabinets and structure cabling system installed in a documented grid pattern are industry standard best practice for data center operations. Both strategies improve security, inventory control and response time for hardware related issues.

Item # 13

Maintain Support of State-Operated Facilities at DADS and DSHS

This funding request includes 3 components related to the services supporting residents and clients in State Supported Living Centers (DADS) and the State Hospitals (DSHS): (1) regional laundry facility equipment &related vehicles replacement, (2) costs associated with frozen food and storage, and (3) an inventory system upgrade.

($ in Millions)	FY 2014	FY 2015	Biennium
General Revenue	$2.9	$0.5	$3.4
All Funds	$4.4	$0.7	$5.1

FTEs	**1.0**	**1.0**

1. *Replace laundry equipment that has an average age of 8 years, with the oldest piece being 45 years old. Laundry vehicles and trailers support the consolidated laundry function - ($1.2 million GR / $2.2 million All Funds).*

2. *Ensure dietary and nutritional requirements for clients at the State Supported Living Centers and State Hospitals meet federal recommendations - ($0.9 million GR / $1.3 million All Funds).*

3. *Upgrade a critical supply inventory system used daily. The upgrade would contain facility services, inventory, supply/stock/requisition, replenishments, medical supplies, and foods, with warehouse work flow and business processes - ($1.3 million GR / $1.7 million All Funds). One FTE at HHSC is associated with upgrading this system.*

TEXAS Health and Human Services Commission

Item # 14

Retire Legacy Client CARE Systems across HHS Agencies

This request will provide funds for HHSC, DADS and DSHS to retire outdated service authorization systems developed by the former Texas Department of MHMR and Department of Human Services, and transition to systems that meet the needs of the current consumers of HHS agencies.

($ in Millions)	FY 2014	FY 2015	Biennium
General Revenue	$9.0	$7.4	$16.4
All Funds	$25.9	$7.4	$33.3

FTEs	**2.0**	**4.0**

Continued operation of multiple outdated and antiquated systems pose a significant risk for ongoing operations for services at both DADS and DSHS. In addition, the maintenance of these systems receive enhanced federal funding. However, these outdated systems likely do not meet current federal information technology standards. In order to continue receive enhanced federal funding, the state's systems must meet these federal standards.

Retiring the legacy systems will allow the current HHS agencies to more efficiently operate, while ensuring full federal funding in the future.

The biennial costs to DADS is $2.2 million GR ($19.4 million All Funds). The biennial cost to DSHS is $14.2 million GR ($14.2 million All Funds). The biennial cost to HHSC is $1.2 million GR ($1.2 million All Funds).

TEXAS Health and Human Services Commission

Item # 15

Continue Systems Coding for International Classification of Diseases (ICD-10)

ICD is a code set designed to promote international comparability in the collection, processing, classification, and presentation of diagnostic statistics. The ICD code set has been revised from ICD-9 to ICD-10 to allow for an expansion in the number of conditions that can be captured (almost twice as many) and support more comprehensive analysis.

($ in Millions)	FY 2014	FY 2015	Biennium
General Revenue	$0.4	$0.4	$0.8
All Funds	$0.8	$1.5	$2.3

The federal government, CMS, is requiring states to upgrade diagnostic and procedure codes for more detailed diagnostic identification. These code sets are used in 95% of health care related systems and are required for paying claims. Texas must comply with the rule by October 1, 2014, with stabilization and optimization requirements continuing for another two years after that.

Requested funding will update systems at DADS, DARS, DSHS and HHSC to process ICD-10 coding.

TEXAS Health and Human Services Commission

Item # 16

Secure Mobile Infrastructure & Enterprise Communications

This project will redesign the HHS data network, implementing industry best practices for a shared network architecture to support a more mobile workforce. Additionally, the HHS telephone infrastructure will be updated to enable greater integration across portions of the enterprise.

($ in Millions)	FY 2014	FY 2015	Biennium
General Revenue	$11.4	$0.0	$11.4
All Funds	$17.4	$0.0	$17.4

These endeavors will support telework, teleconference, mobile work, eligibility modernization, and reduction of travel expenses and leased office space by providing greater integration of the data and voice networks across the HHS enterprise. This solution supports a more mobile workforce.

Benefits include:

- *Provides an integrated enterprise network that allows an HHS employee to access their respective agency's systems from any HHS office (not limited to agency-specific network and office locations)*
- *Improves data network capacity to support client and program growth, and modernization efforts*
- *Enhances secure remote access to HHS systems and data*
- *Provides greater capability in routing client telephone calls to call centers, telework staff, and other HHS offices*
- *Improves security for the telephone systems while they are being accessed through new mobile methods*

TEXAS Health and Human Services Commission

Item # 17

Complete Medicaid Enterprise Data Warehouse Initiative

Completion of the Medicaid Enterprise Data Warehouse (EDW) will provide comprehensive, current, and historical data of Medicaid clients and service providers. The EDW will provide a single place to analyze diverse services to be fully described regardless of the program, payer, system, or provider involved in service provision.

($ in Millions)	FY 2014	FY 2015	Biennium
General Revenue	$3.4	$3.1	$6.6
All Funds	$18.0	$17.6	$35.6

FTEs	**13.1**	**13.1**

The EDW will enhance the ability to analyze data across HHS for use within Medicaid functions while eliminating inconsistencies in reporting and analysis results across the enterprise. It will also support collaboration between agencies to significantly improve the effectiveness of programs. The benefits of this solution will include the following:

- *Improve Management of Client and Provider Identity by unifying identity data*
- *Assist Clients Served by Medicaid by providing comprehensive information to case managers*
- *Increase Effectiveness and Quality of Care by Use of Outcome Measures*
- *Discover New Insights from Existing Data Assets as data from various sources is consolidated*
- *Provide a Foundation for Historical Record Sharing with External Partners*

TEXAS Health and Human Services Commission

Item # 18

Upgrade HHSAS Financials- Hardware Remediation (HHS Agencies)

This funding supports an upgrade of the hardware and certain system software for the HHSAS Financials (PeopleSoft) System and Financials Data Warehouse. In addition, separate environments will be established for development, test, production and reporting.

($ in Millions)	FY 2014	FY 2015	Biennium
General Revenue	$0.9	$0.2	$1.2
All Funds	$1.3	$0.3	$1.6

This initiative will support transformation, as required by the statewide Data Center Services (DCS) Contract. New hardware and software would put HHSC in compliance with industry software standards and provide users with improved performance, particularly for reporting. The establishment of separate environments for development, test, production and reporting will enable more standardized testing, development, and deployment activities and will also support disaster recovery. The upgraded hardware will also position the HHS agencies for future participation in the Comptroller of Public Accounts (CPA) Enterprise Resource Planning (ERP) system.

Item # 19

Improve Community Resources Coordination Group (CRCG) Services

Appropriation will resume funding that was paused in FY 2012-2013, to restore funds for two staff, and allow the development and deployment of an enhanced web based data collection/reporting tool to improve accessibility, data consistency and reliability of the CRCG statewide network.

This will ensure compliance with legislative requirements including the streamlined collection, analysis, and preparation of program data for submission in required reports.

($ in Millions)	FY 2014	FY 2015	Biennium
General Revenue	$0.2	$0.1	$0.3
All Funds	$0.3	$0.3	$0.5

FTEs	**2.0**	**2.0**

TEXAS Health and Human Services Commission

Item # 20

Increase Support of Healthy Marriage Program

Funding will provide expanded technical assistance to providers/clients, updated public advertising and outreach materials, and continuing development and deployment of website enhancements designed to increase access and ease of use for network providers and couples searching for services or resources.

This request will provide enhanced coordination and growth of the existing volunteer network leveraging emerging technologies to reach new service providers and clients. These services were previously funded, but funding was paused in FY 2012-2013.

($ in Millions)	FY 2014	FY 2015	Biennium
General Revenue	$0.6	$0.6	$1.2
All Funds	$0.6	$0.6	$1.2

Item # 21

Implement Initiatives to Address Disproportionality and Disparities Across HHS System

Funding will support the implementation of regional health equity projects that focus on supporting and encouraging health prevention efforts that employ community-centered strategies to reduce and eliminate health disparities.

The Center for Elimination of Disproportionalities and Disparities was established by Senate Bill 501, 82nd Legislature, Regular Session.

($ in Millions)	FY 2014	FY 2015	Biennium
General Revenue	$0.2	$0.2	$0.5
All Funds	$0.3	$0.3	$0.6

FTEs	**2.0**	**2.0**

Program Impact	FY2014	FY2015
Number of Minority Health Initiatives Implemented	8.0	8.0
Average Cost Per Minority Health Initiative Developed	$18,750	$18,750

Item # 22

ACA Provision: Dual Eligibles Integrated Care Project

This is a placeholder request as the estimated fiscal impact has not been determined. Opportunity for states to participate in a capitated or managed FFS model to provide comprehensive coverage to dual (Medicare-Medicaid) eligibles and share in savings achieved through improved care coordination and health outcomes for this population.

Section 2602 of the ACA allows an opportunity for states to align financing between Medicare and Medicaid to support improvements in the quality and cost of care for individuals enrolled in both programs through improved care coordination.

($ in Millions)	FY 2014	FY 2015	Biennium
General Revenue	$0.0	$0.0	$0.0
All Funds	$0.0	$0.0	$0.0

FTEs	**0.0**	**0.0**