Rider Comparison Packet

Conference Committee on Senate Bill 1

2012-13 General Appropriations Bill

Article II - Health and Human Services

ARTICLE II - HEALTH AND HUMAN SERVICES
539 Aging and Disability Services, Department of
DIFFERENCES ONLY

House

2. Capital Budget. None of the funds appropriated above may be expended for capital budget items except as listed below. The amounts shown below shall be expended only for the purposes shown and are not available for expenditure for other purposes. Amounts appropriated above and identified in this provision as appropriations either for "Lease Payments to the Master Lease Purchase Program" or for items with an "(MLPP)" notation shall be expended only for the purpose of making lease-purchase payments to the Texas Public Finance Authority pursuant to the provisions of Government Code § 1232.103.

	2012	2013
a. Repair or Rehabilitation of Buildings and Facilities		
(1) Repairs of State Owned Bond Homes and State Supported Living Centers	$ 3,352,186	$ 15,185,518
b. Acquisition of Information Resource Technologies		
(1) Lease of Personal Computers	3,965,874	3,995,874
(2) Software Licenses	1,701,400	1,701,400
(3) Data Center Consolidation	3,598,640	3,915,049
(4) Messaging and Collaboration	1,605,939	1,605,939
(5) Telecommunications Enhancements	$ 1,082,445	$ 0
Total, Acquisition of Information Resource Technologies	$ 11,954,298	$ 11,218,262
c. Other Lease Payments to the Master Lease Purchase Program (MLPP)		
(1) Payment of MLPP - Utility Savings or Energy Conservation	3,305,939	2,387,101
(2) Payment of MLPP - Transportation	$ 271,914	$ 127,751
Total, Other Lease Payments to the Master Lease Purchase Program (MLPP)	$ 3,577,853	$ 2,514,852

Senate

2. Capital Budget. None of the funds appropriated above may be expended for capital budget items except as listed below. The amounts shown below shall be expended only for the purposes shown and are not available for expenditure for other purposes. Amounts appropriated above and identified in this provision as appropriations either for "Lease Payments to the Master Lease Purchase Program" or for items with an "(MLPP)" notation shall be expended only for the purpose of making lease-purchase payments to the Texas Public Finance Authority pursuant to the provisions of Government Code § 1232.103.

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a. Repair or Rehabilitation of Buildings and Facilities		
(1) Repairs of State Owned Bond Homes and State Supported Living Centers	$ 352,186	$ 15,185,518
b. Acquisition of Information Resource Technologies		
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(2) Software Licenses	1,701,400	1,701,400
(3) Data Center Consolidation	3,598,640	3,915,049
(4) SAS/CARE Consolidation	4,909,368	814,433
(5) Messaging and Collaboration	1,605,939	1,605,939
(6) Telecommunications Enhancements	1,082,445	0
(7) Community Services Database Portal Design	1,500,000	1,500,000
(8) Security Improvements	$ 290,000	$ 914,216
Total, Acquisition of Information Resource Technologies	$ 18,653,666	$ 14,446,911
c. Other Lease Payments to the Master Lease Purchase Program (MLPP)		
(1) Payment of MLPP - Utility Savings or Energy Conservation	3,305,939	2,387,101
(2) Payment of MLPP - Transportation	$ 271,914	$ 127,751
Total, Other Lease Payments to the Master Lease Purchase Program (MLPP)	$ 3,577,853	$ 2,514,852

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Total, Capital Budget	$ 18,884,337	$ 28,918,632	$ 22,583,705	$ 32,147,281
Method of Financing (Capital Budget):				
General Revenue Fund				
General Revenue Fund	$ 7,303,764	$ 3,186,714	$ 4,303,764	$ 3,186,714
GR Match for Medicaid	1,431,519	942,751	3,364,350	2,804,585
GR Certified as Match for Medicaid	2,993,945	3,127,526	2,447,051	2,554,243
Subtotal, General Revenue Fund	$ 11,729,228	$ 7,256,991	$ 10,115,165	$ 8,545,542
GR Dedicated - Texas Capital Trust Fund Account No. 543	289,803	289,802	289,803	289,802
Federal Funds	6,568,662	6,232,554	11,882,093	8,172,652
Other Funds				
Bond Proceeds - General Obligation Bonds	0	14,833,333	0	14,833,333
MR Collections for Patient Support and Maintenance	263,754	272,759	263,754	272,759
MR Appropriated Receipts	32,890	33,193	32,890	33,193
Subtotal, Other Funds	$ 296,644	$ 15,139,285	$ 296,644	$ 15,139,285
Total, Method of Financing	$ 18,884,337	$ 28,918,632	$ 22,583,705	$ 32,147,281

9. **Limitation: Medicaid Transfer Authority.** Notwithstanding the transfer provisions in the General Provisions (general transfer provisions) and other transfer provisions of this Act, funds appropriated by this Act to the Department of Aging and Disability Services (DADS) for the following Medicaid strategies shall be governed by the specific limitations included in this provision.

a. **Limitations on Transfers.**

(1) **Waivers**. Transfers may not be made between appropriation items listed in this

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subsection or from appropriation items listed in this subsection to appropriation items not listed in this subsection without prior written approval from the Legislative Budget Board and the Governor. Any transfer approval requests shall be submitted pursuant to subsection (c) of this provision.

A.3.1. Community-based Alternatives (CBA)
A.3.2. Home and Community-based Services (HCS)
A.3.3. Community Living Assistance and Support Services (CLASS)
A.3.4. Deaf-Blind Multiple Disabilities (DBMD)
A.3.5. Medically Dependent Children Program (MDCP)
A.3.6. Consolidated Waiver Program
A.3.7. Texas Home Living Waiver
A.6.4. Promoting Independence Services

(2) **Community Entitlement**. Transfers may be made between appropriation items listed in this subsection. Transfers may not be made from appropriation items listed in this subsection to appropriation items not listed in this subsection without prior written approval from the Legislative Budget Board and the Governor. DADS shall provide notification of all transfers pursuant to subsection (b) of this provision, and any transfer approval requests shall be submitted pursuant to subsection (c) of this provision.

A.2.1. Primary Home Care
A.2.2. Community Attendant Services (formerly Frail Elderly)
A.2.3. Day Activity and Health Services (DAHS)
A.5.1. Program of All-inclusive Care for the Elderly (PACE)

(3) **Nursing Facility and Related Care**. Transfers may be made between appropriation items listed in this subsection. Transfers may not be made from appropriation items listed in this subsection to appropriation items not listed in this

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A.6.1. Nursing Facility Payments
A.6.2. Medicare Skilled Nursing Facility
A.6.3. Hospice

(4) **Mental Retardation Services**. Transfers may be made between appropriation items listed in this subsection. Transfers may not be made from appropriation items listed in this subsection to appropriation items not listed in this subsection without prior written approval from the Legislative Budget Board and the Governor. DADS shall provide notification of all transfers pursuant to subsection (b) of this provision, and any transfer approval requests shall be submitted pursuant to subsection (c) of this provision.

A.7.1. Intermediate Care Facilities - Mental Retardation (ICF/MR)
A.8.1. State Supported Living Centers

b. **Notification Regarding Transfers that Do not Require Approval**. Authority granted by this provision to transfer funds is contingent upon a written notification from DADS to the Legislative Budget Board and the Governor at least 30 days prior to the transfer, which includes the following information:

(1) a detailed explanation of the purpose(s) of the transfer and whether the expenditure will be one-time or ongoing;

(2) the name of the originating and receiving strategies and the method of financing and FTEs for each strategy by fiscal year;

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(3) an estimate of performance levels and, where relevant, a comparison to targets included in this Act for both the originating and the receiving strategies; and	(3) an estimate of performance levels and, where relevant, a comparison to targets included in this Act for both the originating and the receiving strategies; and
(4) the capital budget impact.	(4) the capital budget impact.
c. **Requests for Transfers that Require Approval**. To request a transfer, DADS shall submit a written request to the Legislative Budget Board and the Governor. At the same time, the agency shall provide a copy of the request to the Comptroller of Public Accounts. The request shall include the following information:	c. **Requests for Transfers that Require Approval**. To request a transfer, DADS shall submit a written request to the Legislative Budget Board and the Governor. At the same time, the agency shall provide a copy of the request to the Comptroller of Public Accounts. The request shall include the following information:
(1) a detailed explanation of the purpose(s) of the transfer and whether the expenditure will be one-time or ongoing;	(1) a detailed explanation of the purpose(s) of the transfer and whether the expenditure will be one-time or ongoing;
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(4) the capital budget impact.	(4) the capital budget impact.
The transfer request shall be considered to be approved unless the Legislative Budget Board or the Governor issue a written disapproval within 30 business days of the date on which the staff of the Legislative Budget Board concludes its review of the transfer request and forwards its review to the Chair of the House Appropriations Committee, Chair of the Senate Finance Committee, Speaker of the House, and Lieutenant Governor.	
d. **Transfers into Items of Appropriation**. Transfers may be made from any appropriation item to the appropriation items in section (a), subject to the limitations established in section (a) for each appropriation item.	d. **Transfers into Items of Appropriation**. Transfers may be made from any appropriation item to the appropriation items in section (a), subject to the limitations established in section (a) for each appropriation item.

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e. **Cost Pools**. Notwithstanding the above limitations, transfers may be made from the appropriation items in section (a) to separate accounts authorized by agency rider and established by the State Comptroller for payment of certain support costs not directly attributable to a single program.

f. **Cash Management**. Notwithstanding the above limitations, DADS may temporarily utilize funds appropriated to the strategies listed in section (a) for cash flow purposes. All funding used in this manner shall be promptly returned to the originating strategy. This authorization is subject to limitations established by the Comptroller of Public Accounts.

The Comptroller of Public Accounts shall not allow the transfer of funds authorized by any of the above subsections if the Legislative Budget Board provides notification to the Comptroller of Public Accounts that the requirements of this provision have not been satisfied.

In the case of disaster or other emergency, this provision is superseded by the emergency-related transfer authority in Article IX of this Act.

35. Limits for Waivers and Other Programs. Notwithstanding other provisions included in this Act, this provision shall govern expenditure levels for the following strategies.

a. **Waivers and PACE**. The All Funds amounts included above for Department of Aging and Disability Services (DADS) for fiscal year 2012 and fiscal year 2013 in each individual strategy identified below shall not be exceeded without the prior written approval of the Legislative Budget Board and the Governor.

A.3.1. Community-based Alternatives (CBA)
A.3.2. Home and Community-based Services (HCS)
A.3.3. Community Living Assistance and Support Services (CLASS)
A.3.4. Deaf-blind Multiple Disabilities (DBMD)
A.3.5. Medically Dependent Children Program (MDCP)
A.3.6. Consolidated Waiver Program

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A.3.6. Consolidated Waiver Program

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A.3.7. Texas Home Living Waiver
A.5.1. Program of All-Inclusive Care for the Elderly (PACE)

Requests for Exemptions. To request an exemption from the limits established under section (a), DADS shall submit a written request to the Legislative Budget Board and the Governor. At the same time, the agency shall provide a copy of the request to the Comptroller of Public Accounts. The request shall include the following information: a detailed explanation of the reason for the requested exemption and whether and how the exemption would impact client and expenditure levels at the individual strategy level in the 2012-13 biennium and the 2014-15 biennium.

The request for an exemption shall be considered to be approved unless the Legislative Budget Board or the Governor issue a written disapproval within 30 business days of the date on which the staff of the Legislative Budget Board concludes its review of the request for exemption and forwards its review to the Chair of the House Appropriations Committee, Chair of the Senate Finance Committee, Speaker of the House, and Lieutenant Governor.

b. **Non-Medicaid Programs**. The All Funds amounts included above for DADS for fiscal year 2012 and fiscal year 2013 in each individual strategy identified below shall not be exceeded unless DADS notifies the Legislative Budget Board and the Governor it has received federal funding (primarily Title XX and Administration on Aging) that exceeds levels assumed in the 2012-13 GAA and specifies the following information: a detailed explanation how the increase would impact client and expenditure levels by method of finance at the individual strategy level in the 2012-13 biennium and the 2014-15 biennium.

A.4.1. Non-Medicaid Services
A.4.2. MR Community Services
A.4.4. In-Home and Family Support

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A.3.7. Texas Home Living Waiver
A.5.1. Program of All-Inclusive Care for the Elderly (PACE)

Requests for Exemptions. To request an exemption from the limits established under section (a), DADS shall submit a written request to the Legislative Budget Board and the Governor. At the same time, the agency shall provide a copy of the request to the Comptroller of Public Accounts. The request shall include the following information: a detailed explanation of the reason for the requested exemption and whether and how the exemption would impact client and expenditure levels at the individual strategy level in the 2012-13 biennium and the 2014-15 biennium.

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A.4.1. Non-Medicaid Services
A.4.2. MR Community Services
A.4.4. In-Home and Family Support

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A.4.5. Mental Retardation In-Home Services

The Comptroller of Public Accounts shall not allow any exemptions from the limits established by this provision if the Legislative Budget Board provides notification to the Comptroller of Public Accounts that the requirements of this provision have not been satisfied.

42. Reporting Abuse/Neglect/Exploitation Incidents at All State Supported Living Centers. The Department of Aging and Disability Services shall report quarterly for each state supported living center on:

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A.4.5. Mental Retardation In-Home Services

The Comptroller of Public Accounts shall not allow any exemptions from the limits established by this provision if the Legislative Budget Board provides notification to the Comptroller of Public Accounts that the requirements of this provision have not been satisfied.

42. Implementing Culture Change at One State Supported Living Center and Reporting Abuse/Neglect/Exploitation Incidents at All State Supported Living Centers. Out of the amounts appropriated to the Department of Aging and Disability Services (DADS) the agency shall:

a. Allocate an amount not to exceed $250,000 of General Revenue Funds for the 2012-13 biennium to hire a consultant who has expertise and a proven and successful record in implementing the process of culture change in a long term care facility that serves intellectually/developmentally disabled clients. For the purposes of this rider, culture change is defined as implementing processes, policies, and practices to meet three objectives in providing quality care to state supported living center residents: person-centered care, continuous quality improvement efforts, and workforce improvement efforts. The consultant shall provide training and technical assistance to appropriate DADS state central office staff and staff at one State Supported Living Center (SSLC) in the implementation of culture change. The facility to implement the culture change model of care shall be selected by DADS. DADS shall select a facility representative of the state supported living center system in the following areas:

(1) campus physical characteristics;
(2) staffing size and turnover rates;
(3) residents' level of need and disability;

(4) number of confirmed abuse allegations;
(5) use of restraints;
(6) opportunity for community involvement; and,

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(7) facility leadership.

b. Reclassify one full-time equivalent at the selected SSLC as a placement coordinator to assist more residents to move to community placements.

c. Submit a report to the Legislative Budget Board and the Governor, no later than May 1, 2012, regarding the culture change process at the selected SSLC. The report shall include, but not be limited to, a detailed description of the culture change process and specific examples of changes in processes, policies, practices that have occurred and will occur as a result of the culture change implementation; timeframes for implementation of new policies, processes, and practices; suggestions and feedback from professional and direct care staff regarding the culture change process; future goals for culture change implementation at other state supported living centers, a comparison of the following statistics from the selected SSLC for fiscal years 2010-12:

(1) as reported by victims, the number of abuse/neglect/exploitation claims deemed "unfounded." "Victim" as defined by Texas Administrative Code Title 40 Rule 711.3 and "unfounded" as defined by Texas Administrative Code Title 40 Rules 711.425 and 711.421 by the Department of Family and Protective Services investigators;
(2) as defined by Texas Administrative Code Title 40 Rules 711.425 and 711.421, the number of incidents of abuse/neglect/exploitation deemed "confirmed" by the Department of Family and Protective Services;
(3) staff turnover rates;
(4) frequency of the use of restraints (identified by type);
(5) number of individual resident outings and group outings;
(6) employee job satisfaction survey results;
(7) consistent staff assignments to same group of residents; and
(8) any other information relevant to improving the quality of care at state supported living centers.

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a. as reported by victims, the number of abuse/neglect/exploitation claims deemed "unfounded." "Victim" as defined by Texas Administrative Code Title 40 Rule 711.3 and "unfounded" as defined by Texas Administrative Code Title 40 Rules 711.425 and 711.421 by the Department of Family and Protective Services investigators; and

b. the number of abuse/neglect/exploitation incidents deemed "confirmed" as defined by Texas Administrative Code Title 40 Rules 711.425 and 711.421 by Department of Family and Protective Services investigators. DADS shall input the information into the LBB's Automated Budget and Evaluation System of Texas.

43. Closure of State Supported Living Center. The Department of Aging and Disability Services (DADS) shall not use any funds appropriated by this Act to operate the _____ State Supported Living Center after January 1, 2013. It is the intent of the Legislature that one state supported living center (SSLC) is closed.

a. DADS shall prepare a closure plan that takes into account feedback from relevant internal and external stakeholders to the Governor and Legislative Budget Board by March 1, 2012. The report shall include, but not be limited to the following:

(1) Milestones for the closure and a schedule of the implementation;

(2) Strategies to minimize adverse effects on center residents, staff, and the local community where the center is located; and

(3) Strategies to close the physical facilities.

b. DADS shall submit status reports on the implementation of the closure on July 31, 2012; November 30, 2012; and August 31, 2013 to the Governor and Legislative Budget Board

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d. Report quarterly for each state supported living center on:

(1) as reported by victims, the number of abuse/neglect/exploitation claims deemed "unfounded." "Victim" as defined by Texas Administrative Code Title 40 Rule 711.3 and "unfounded" as defined by Texas Administrative Code Title 40 Rules 711.425 and 711.421 by the Department of Family and Protective Services investigators, and

(2) the number of abuse/neglect/exploitation incidents deemed "confirmed" as defined by Texas Administrative Code Title 40 Rules 711.425 and 711.421 by Department of Family and Protective Services investigators. DADS shall input the information into the LBB's Automated Budget and Evaluation System of Texas.

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which shall include but not be limited to:

(1) Progress implementing closure milestones and any revisions to the schedule of implementation;

(2) Progress implementing strategies to minimize adverse effects of closure on center residents, staff, and the local community where the center is located; and

(3) Identification of barriers the department is encountering in the closure process.

Prior to transfer of an SSLC resident from the ____ SSLC, DADS will require that the new care provider identify the health practitioners who will be used to treat the resident, as well as the health practitioners' training, experience, and willingness to serve the resident. The provider must certify to DADS that it can provide the treatment and care as specified in the resident's individualized treatment plan.

Out of funds appropriated in Strategy A.8.1, State Supported Living Centers, DADS may designate one full-time equivalent (FTE) to direct the closure process.

The Department of Aging and Disability Services, in consultation with the General Land Office and Texas Facilities Commission, shall also study the feasibility of, and develop a plan for, integrating the campus and buildings currently occupied by the State Supported Living Center into the surrounding community. The Department shall prepare a report by March 1, 2012, examining each of the following: 1) co-locating local government offices, local non-profit organizations, and additional Health and Human Services Commission or other state agency offices, services, or programs on the campus and in buildings vacated by the _____ State Supported Living Center such as mental health crisis stabilization units, regional offices, and other government partner offices, 2) making accessible and available for use certain resources of the facility to local residents and participants in other Health and Human Services Commission programs including use of the land, facilities, and others, 3) making the facility accessible and available for vocational or employment job training programs to the Texas

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Workforce Commission, non-profit organizations, and other applicable entities, and 4) creating opportunities for alternative land use.

Following the closure of the SSLC, the Department will monitor the health and wellbeing of the residents moved from the SSLC to community care. DADS is directed to track the provision of health care for former residents as required by their individual treatment plans, and to provide a report to the Legislative Budget Board and the Governor by August 31, 2013 that documents available health outcomes and mortality rates of residents moved into the community, as well as any cost savings realized per resident moved into the community. DADS must maintain privacy of these residents. It is the intent of the Legislature that additional SSLCs may not be closed until the completion of the health outcome/mortality rate study.

44. **Funding Reductions.** Appropriations made above to the Department of Aging and Disability Services reflect reductions of $623,053,486 in General Revenue Funds and $875,211,477 in Federal Funds ($1,498,264,963 in All Funds) in fiscal year 2012 and $357,682,420 in General Revenue Funds and $482,934,316 in Federal Funds ($840,616,736 in All Funds) in fiscal year 2013, for a 2012-13 total reduction of $980,735,906 in General Revenue Funds and $2,338,881,699 in All Funds.

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43. **Reporting Requirements for Confirmed Acts of Abuse Committed by Licensed Professionals Employed in State Facilities.** The Department of Aging and Disability Services and the Department of State Health Services shall submit a report to the Legislative Budget Board and the Governor by May 15, 2012 that identifies gaps in their processes and policies for reporting licensed professionals who have committed confirmed acts of abuse, neglect, or exploitation while employed at a state facility. The report should also identify corrective steps taken to comply with statutory requirements for reporting nursing professionals and other licensed professionals who have committed confirmed acts of abuse, neglect, or exploitation to their respective professional licensing boards and identify the number of persons reported to each licensing board by fiscal year beginning in fiscal year 2012.

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The reductions described by this rider are the result of reduced availability of Federal Funds following the expiration of the enhanced Federal Medical Assistance Percentage ("FMAP") provisions contained in the American Recovery and Reinvestment Act of 2009.

44. **Reshaping the System for Providing Services to Individuals with Developmental Disabilities.** Out of funds appropriated above for persons with mental retardation, intellectual disabilities, and developmental disabilities, the Department of Aging and Disability Services (DADS) is required to increase the number of Home and Community-Based Services (HCS) slots during fiscal years 2012 and 2013 for (1) children aging out of foster care services at the Department of Family and Protective Services, (2) individuals who are at imminent risk of institutionalization as a result of a emergency or crisis situations, and (3) promoting independence initiatives.

It is the intent of the Legislature that DADS continue census management initiatives, not closure, while not removing a state supported living center resident from a state supported living center against the resident's will or against the will of the resident's legally authorized guardian and without denying admission to a state supported living center on the basis that the admission would cause the state supported living center to exceed any potential capacity limit.

45. **Department of Aging and Disability Services Medicaid Waiver Programs.** It is the intent of the Legislature that the Department of Aging and Disability Services (DADS) maintain the performance level targets for "Average Number of Individuals Served Per Month" and "Number of Persons Receiving Services at the End of the Fiscal Year" established in the General Appropriations Act in the DADS bill pattern for the following Medicaid waivers:

A.3.1. Community Based Alternative (CBA)
A.3.2. Home and Community-based Services (HCS)
A.3.3. Community Living Assistance and Support Services (CLASS)
A.3.4. Deaf-Blind Multiple Disabilities (DBMD)
A.3.5. Medically Dependent Children Program (MDCP)

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A.3.6. Consolidated Waiver Program
A.3.7. Texas Home Living (TxHmL)

The "End of the Fiscal Year" value indicates the number of clients/slots who will be served in the final month of the fiscal year. The "Average Monthly" value indicates the number of clients/slots to be served on average for the fiscal year overall. Average monthly values reflect the approved rollout of new slots and tie to performance targets established within the DADS bill pattern.

45. **Transcription Services.** The Department of Aging and Disability Services may solicit the most cost effective transcription services when such services would achieve a level of savings equal to $500,000 in fiscal year 2012 and $500,000 in fiscal year 2013. It is the intent of the Legislature that the Department may contract with an experienced and proven provider for cost-effective services for the offsite preparation of casework documentation that utilizes live transcriptionist personnel located within the United States.

46. **Feasibility Study.** The Department of Aging and Disability Services shall study the feasibility of integrating the resources of each State Supported Living Center into the surrounding community. The Department shall prepare a report, not later than December 1, 2012, examining the feasibility of each of the following: 1) co-locating additional local government offices, local non-profit organizations, and Health and Human Services Commission or other state agency offices, services, or programs on the State Supported Living Center campus, 2) making land and facilities accessible and available for use by local residents and participants in other HHSC programs such as mental health crisis stabilization units, regional offices, and other government partner offices consistent with the mission of the State Supported Living Center, 3) making the facility accessible and available for vocational or employment job training programs to the Texas Workforce Commission, non-profit organizations, and other applicable entities, and 4) creating opportunities for local nonprofit organizations to partner with the facility to conduct various volunteer activities.

House

Senate

46. Unexpended Balance Authority for SAS/CARE Consolidation Project.

a. Unexpended Balance between Biennia. Unexpended balances in General Revenue Funds appropriated for the Service Authorization System/Client Assignment and Registration (SAS/CARE) Consolidation project in fiscal year 2011 (estimated to be $572,380 in General Revenue and $5,151,421 in Federal Funds) in Strategy A.6.1, Nursing Facility Payments, are appropriated to the Department of Aging and Disability Services (DADS) for the fiscal year beginning September 1, 2011, only upon prior written approval by the Legislative Budget Board and the Governor. These General Revenue and Federal Funds are contingent on an unexpended balance from fiscal year 2011. The amount of the appropriation is limited to the amount of the unexpended balance.

b. For authorization to expend the funds, DADS shall submit a written request to the Legislative Budget Board and the Governor. At the same time, the agency shall provide a copy of the request to the Comptroller of Public Accounts.

c. The request shall be considered to be approved unless the Legislative Budget Board or the Governor issue a written disapproval within 30 business days of the date on which the staff of the Legislative Budget Board concludes its review of the proposal to expend the funds and forwards its review to the Chair of the House Appropriations Committee, Chair of the Senate Finance Committee, Speaker of the House, and Lieutenant Governor.

47. Contingency for Hospital Level of Care Waiver Program. The Department of Aging and Disability Services (DADS) shall apply for a waiver under Section 1915(c) of the federal Social Security Act (42 U.S.C. Section 1396n(c)) to provide medical assistance services outside the scope, amount, or duration of nonwaiver services available to medically fragile individuals who are at least 21 years of age and who require a hospital level of care under the medical assistance program.

Implementation of the waiver is contingent upon DADS determining that the cost of the waiver would not require any additional General Revenue than is currently being expended for

House

47. Contingency Appropriation: Revenue from Limitation on Timely Filer Taxpayer Discount. Contingent upon passage of House Bill 2045 or similar legislation limiting the amount a vendor may deduct and withhold for timely remittance of sales tax collections, in addition to the amounts appropriated above, there is hereby appropriated to the Department of Aging and Disability Services any additional revenues generated from the reduced amount taxpayers may deduct and withhold under Section 151.423, Tax Code, for the purpose of providing funds to nursing homes under Strategy A.6.1, Nursing Facility Payments.

48. Contingency Appropriation: Revenue from Limitation on Sales Tax Prepayment Discount. Contingent upon passage of House Bill 353 or similar legislation limiting the amount a vendor may deduct and withhold for prepayment of the taxpayer's estimated tax liability, in addition to the amounts appropriated above, there is hereby appropriated to the Department of Aging and Disability Services any additional revenues generated from the reduced amount taxpayers may deduct and withhold under Section 151.424, Tax Code, for the purpose of providing funds to nursing homes under Strategy A.6.1, Nursing Facility Payments.

Senate

medically fragile individuals at DADS. If DADS determines additional General Revenue is needed DADS shall not implement the waiver.

48. MR Community Service Individuals Funded by General Revenue. The Department of Aging and Disability Services (DADS) shall refinance, with Medicaid funding, eligible MR Community Services individuals from Strategy A.4.2, Mental Retardation Community Services, that are currently funded with General Revenue to Medicaid-eligible slots. The department shall accomplish this refinancing by transferring General Revenue to Strategy A.3.7, Texas Home Living Waiver, and drawing federal matching funds through the Medicaid program. Using the monthly financial report, DADS shall notify the Legislative Budget Board of these General Revenue transfers as they occur, and these transfers are not subject to the restrictions of other transfer provisions.

House

49. **Limitation on the Use of Appropriations for Inspections of Assisted Living Facilities.** The Department of Aging and Disability Services may use the appropriations for inspections of Assisted Living Facilities in Strategy B.1.1, Facility/Community-based Regulation, only for biennial inspections of Assisted Living Facilities or other risk-based inspections deemed necessary by the Department.

50. **Contingency Plan.** It is the intent of the Legislature that the Department of Aging and Disability Services develop a contingency plan for consumers who are displaced as a result of a significant number of providers exiting the Home and Community-based Services Program, the Intermediate Care Facilities-MR, and the Nursing Facilities. This contingency plan shall define a significant number of providers and include short term and long term planning criteria that ensures the health and safety of the individuals and promotes their independence. The plan is due upon the implementation of rate reductions for each impacted program.

Senate

49. **Attendant Care Services for Persons Enrolled in Community-based Alternatives.** Funds appropriated above to the Department of Aging and Disability Services assume a savings of $33,309,060 in All Funds, including $13,849,907 in General Revenue Funds, in fiscal year 2012 and $33,357,607 in All Funds, including $14,150,093 in General Revenue Funds, in fiscal year 2013. The department may achieve these savings by providing attendant care services to persons enrolled in the Community-based Alternatives waiver through a Medicaid state plan program, including the Primary Home Care or Community Attendant Services programs. Alternatively, the department may achieve these savings by reducing rates for attendant care services in the Community-based Alternatives waiver to the level for those services in the Primary Home Care and Community Attendant Services programs. Regardless of how services are provided, expenditures for persons enrolled in the Community-based Alternatives waiver are to be made out of Strategies A.3.1, Community-based Alternatives or A.6.4, Promoting Independence Services.

House	Senate
5. Notification of Federal Funds Distribution.	**5. Notification of Federal Funds Distribution.**
a. Redirection of General Revenue Funds. The Department of Assistive and Rehabilitative Services (DARS) shall notify the Legislative Budget Board and the Governor by letter of its intent to redirect General Revenue Funds to obtain additional federal funds for the Vocational Rehabilitation program. The notification shall include the original purpose and item of appropriation for which the General Revenue Funds were appropriated, and the effect on measures and/or full-time equivalent positions for all affected strategies. The notification shall be made at least 30 days prior to requesting additional federal funding for the Vocational Rehabilitation program. Furthermore, it is the intent of the Legislature that no federal funds be drawn and expended by utilizing as matching funds any General Revenue Funds appropriated for the subsequent state fiscal year.	a. Redirection of General Revenue Funds. The Department of Assistive and Rehabilitative Services (DARS) shall notify the Legislative Budget Board and the Governor by letter of its intent to redirect General Revenue Funds to obtain additional federal funds for the Vocational Rehabilitation program. The notification shall include the original purpose and item of appropriation for which the General Revenue Funds were appropriated, and the effect on measures and/or full-time equivalent positions for all affected strategies. The notification shall be made at least 30 days prior to requesting additional federal funding for the Vocational Rehabilitation program. Furthermore, it is the intent of the Legislature that no federal funds be drawn and expended by utilizing as matching funds any General Revenue Funds appropriated for the subsequent state fiscal year.
b. Budgeting of Additional Federal Dollars. DARS shall notify the Legislative Budget Board and the Governor by letter at least 14 days prior to the budgeting of more than $203,413,998 in fiscal year 2012 and $201,413,998 in fiscal year 2013 in federal Vocational Rehabilitation funds (CFDA 84.126) included in the "Method of Financing" above. Amounts noted above include any amounts expended in fiscal year 2012 or 2013 that were carried forward from the previous year's allotments.	b. Budgeting of Additional Federal Dollars. DARS shall notify the Legislative Budget Board and the Governor by letter at least 14 days prior to the budgeting of more than $208,698,592 in fiscal year 2012 and $208,630,527 in fiscal year 2013 in federal Vocational Rehabilitation funds (CFDA 84.126) included in the "Method of Financing" above. Amounts noted above include any amounts expended in fiscal year 2012 or 2013 that were carried forward from the previous year's allotments.
30. Appropriation Transfer between Fiscal Years. In addition to the transfer authority provided elsewhere in this Act, the Department of Assistive and Rehabilitative Services may transfer General Revenue Funds in Strategy A.1.1, ECI Services, appropriated for fiscal year 2013 to fiscal year 2012, subject to the following conditions provided by this section:	
a. Transfers under this section may be made only if costs associated with providing early childhood intervention services exceed the funds appropriated for these services for fiscal year 2012 due to the timing of the reduction of the average monthly children served.	
b. A transfer authorized by this section must receive the prior approval of the Governor and the Legislative Budget Board.	

House	Senate
c. The Comptroller of Public Accounts shall cooperate as necessary to assist the completion of a transfer and spending made under this section.	
	30. Increase Service Hours to Early Childhood Intervention Children. Included in the amounts appropriated above in Strategy A.1.1, Early Childhood Intervention Services, is $25,802,548 in General Revenue Funds and $39,216,274 in All Funds for no other purpose than to ensure that children in the early childhood intervention (ECI) program receive an average of three hours per month per child of services. It is the intent of the Legislature that the Department of Assistive and Rehabilitative Services prioritize children receiving an average monthly number of three hours per month per child in deciding the number of children to serve in the ECI program.
31. Independent Living Centers Reduction. Included in the amounts appropriated above in Strategy B.3.2, Independent Living Centers, is a reduction of $750,000 in General Revenue Funds in fiscal year 2012 and $750,000 in General Revenue Funds in fiscal year 2013. The Department of Assistive and Rehabilitative Services shall evenly distribute the reduction to all independent living centers to prevent any potential closures of independent living centers in the state.	

House

2. Capital Budget. None of the funds appropriated above may be expended for capital budget items except as listed below. The amounts shown below shall be expended only for the purposes shown and are not available for expenditure for other purposes. Amounts appropriated above and identified in this provision as appropriations either for "Lease Payments to the Master Lease Purchase Program" or for items with an "(MLPP)" notation shall be expended only for the purpose of making lease-purchase payments to the Texas Public Finance Authority pursuant to the provisions of Government Code § 1232.103.

	2012	2013
a. Acquisition of Information Resource Technologies		
(1) Desktop Services Lease for Computer Hardware and Software	$ 4,044,776	$ 4,044,776
(2) Tablet PCs for Mobile Casework	7,292,109	7,292,109
(3) Software Licenses	1,975,387	1,975,387
(4) Data Center Consolidation	3,316,470	3,316,470
(5) National Youth in Transition Database	$ 243,482	$ 243,482
Total, Acquisition of Information Resource Technologies	$ 16,872,224	$ 16,872,224
Total, Capital Budget	$ 16,872,224	$ 16,872,224
Method of Financing (Capital Budget):		
General Revenue Fund		
General Revenue Fund	$ 8,243,755	$ 8,243,755
GR Match for Medicaid	165,517	165,517
Subtotal, General Revenue Fund	$ 8,409,272	$ 8,409,272
Federal Funds	8,462,952	8,462,952
Total, Method of Financing	$ 16,872,224	$ 16,872,224

Senate

2. Capital Budget. None of the funds appropriated above may be expended for capital budget items except as listed below. The amounts shown below shall be expended only for the purposes shown and are not available for expenditure for other purposes. Amounts appropriated above and identified in this provision as appropriations either for "Lease Payments to the Master Lease Purchase Program" or for items with an "(MLPP)" notation shall be expended only for the purpose of making lease-purchase payments to the Texas Public Finance Authority pursuant to the provisions of Government Code § 1232.103.

	2012	2013
a. Acquisition of Information Resource Technologies		
(1) Desktop Services Lease for Computer Hardware and Software	$ 4,044,776	$ 4,044,776
(2) IMPACT Operational Enhancement	1,509,174	1,509,174
(3) Tablet PCs for Mobile Casework	7,292,109	7,292,109
(4) Software Licenses	1,975,387	1,975,387
(5) Data Center Consolidation	3,316,470	3,316,470
(6) National Youth in Transition Database	243,482	243,482
(7) CLASS Operational Enhancements	$ 500,000	$ 500,000
Total, Acquisition of Information Resource Technologies	$ 18,881,398	$ 18,881,398
Total, Capital Budget	$ 18,881,398	$ 18,881,398
Method of Financing (Capital Budget):		
General Revenue Fund		
General Revenue Fund	$ 10,059,000	$ 10,059,000
GR Match for Medicaid	180,322	180,322
Subtotal, General Revenue Fund	$ 10,239,322	$ 10,239,322
Federal Funds	8,642,076	8,642,076
Total, Method of Financing	$ 18,881,398	$ 18,881,398

House

6. Foster Care Rates.

a. It is the intent of the Legislature that the Department of Family and Protective Services reimburse foster families at least $17.12 per day for children under 12 years old and $17.50 per day for children age 12 and older during the 2012-13 biennium. The department may transfer funds into Strategy B.1.11, Foster Care Payments, for the purpose of maintaining these rates. The department may not transfer funds out of Strategy B.1.11, Foster Care Payments, without the prior written approval of the Legislative Budget Board and the Governor.

b. The department may also use funds in Strategy B.1.11, Foster Care Payments, to recommend alternate service provision that will consider expansion of contract services, regional planning, service outcomes, and appropriate funding mechanisms to be tested in pilot projects. Such pilot approaches to innovative service delivery shall be designed in conjunction with providers, approved by the Health and Human Services Commission, and funded at no increased cost to the State. The department may include a modification of rates for new pilot approaches implemented in this manner.

c. Included in the funds appropriated above in Strategy B.1.11, Foster Care Payments, is $160,417,451 in General Revenue Funds and $76,072,924 in TANF Federal Funds for fiscal year 2012, and $175,224,525 in General Revenue Funds and $78,144,721 in TANF Federal Funds for fiscal year 2013. The department may not transfer these funds out of Strategy B.1.11, Foster Care Payments, without the prior written approval of the Legislative Budget Board and the Governor.

Senate

6. Foster Care Rates.

a. It is the intent of the Legislature that the Department of Family and Protective Services reimburse foster families at least $17.12 per day for children under 12 years old and $17.50 per day for children age 12 and older during the 2012-13 biennium. The department may transfer funds into Strategy B.1.11, Foster Care Payments, for the purpose of maintaining these rates. The department may not transfer funds out of Strategy B.1.11, Foster Care Payments, without the prior written approval of the Legislative Budget Board and the Governor.

b. The department may also use funds in Strategy B.1.11, Foster Care Payments, to recommend alternate service provision that will consider expansion of contract services, regional planning, service outcomes, and appropriate funding mechanisms to be tested in pilot projects. Such pilot approaches to innovative service delivery shall be designed in conjunction with providers, approved by the Health and Human Services Commission, and funded at no increased cost to the State. The department may include a modification of rates for new pilot approaches implemented in this manner.

c. Included in the funds appropriated above in Strategy B.1.11, Foster Care Payments, is $168,743,048 in General Revenue Funds and $76,072,924 in TANF Federal Funds for fiscal year 2012, and $175,220,837 in General Revenue Funds and $78,144,721 in TANF Federal Funds for fiscal year 2013. The department may not transfer these funds out of Strategy B.1.11, Foster Care Payments, without the prior written approval of the Legislative Budget Board and the Governor.

House

15. Limitation on Transfers: CPS and APS Direct Delivery Staff.

a. **Funding.** Notwithstanding any other transfer provision in this Act, none of the funds appropriated by this Act to the Department of Family and Protective Services for Strategy B.1.1, CPS Direct Delivery Staff, and Strategy D.1.1, APS Direct Delivery Staff, may be transferred to any other item of appropriation or expended for any purpose other than the specific purpose for which the funds are appropriated without the prior written approval of the Legislative Budget Board and the Governor.

b. **Full-time-equivalent (FTE) Positions.** Out of the FTE positions appropriated above to the Department of Family and Protective Services, 8,161.6 positions for fiscal year 2012 and 8,161.6 positions for fiscal year 2013 are allocated to Strategy B.1.1, CPS Direct Delivery Staff, and 804.8 positions for fiscal year 2012 and 804.8 positions for fiscal year 2013 are allocated to Strategy D.1.1, APS Direct Delivery Staff.

Notwithstanding any other transfer provision in this Act, none of the FTEs allocated by this Act to the Department of Family and Protective Services for Strategy B.1.1, CPS Direct Delivery Staff, and Strategy D.1.1, APS Direct Delivery Staff, may be transferred to any other item of appropriation or utilized for any purpose other than the specific purpose for which the FTEs are allocated without the prior written approval of the Legislative Budget Board and the Governor.

c. **Request for Approval.** To request approval for the transfer of funds and/or FTEs, the department shall submit a written request to the Legislative Budget Board and the Governor that includes the following information:

(1) a detailed explanation of the purpose(s) of the transfer and whether the expenditure will be one-time or ongoing;

(2) the name of the originating and receiving strategies, and the method of financing and FTEs for each strategy by fiscal year;

Senate

15. Limitation on Transfers: CPS and APS Direct Delivery Staff.

a. **Funding.** Notwithstanding any other transfer provision in this Act, none of the funds appropriated by this Act to the Department of Family and Protective Services for Strategy B.1.1, CPS Direct Delivery Staff, and Strategy D.1.1, APS Direct Delivery Staff, may be transferred to any other item of appropriation or expended for any purpose other than the specific purpose for which the funds are appropriated without the prior written approval of the Legislative Budget Board and the Governor.

b. **Full-time-equivalent (FTE) Positions.** Out of the FTE positions appropriated above to the Department of Family and Protective Services, 8,058.2 positions for fiscal year 2012 and 8,058.2 positions for fiscal year 2013 are allocated to Strategy B.1.1, CPS Direct Delivery Staff, and 804.8 positions for fiscal year 2012 and 804.8 positions for fiscal year 2013 are allocated to Strategy D.1.1, APS Direct Delivery Staff.

Notwithstanding any other transfer provision in this Act, none of the FTEs allocated by this Act to the Department of Family and Protective Services for Strategy B.1.1, CPS Direct Delivery Staff, and Strategy D.1.1, APS Direct Delivery Staff, may be transferred to any other item of appropriation or utilized for any purpose other than the specific purpose for which the FTEs are allocated without the prior written approval of the Legislative Budget Board and the Governor.

c. **Request for Approval.** To request approval for the transfer of funds and/or FTEs, the department shall submit a written request to the Legislative Budget Board and the Governor that includes the following information:

(1) a detailed explanation of the purpose(s) of the transfer and whether the expenditure will be one-time or ongoing;

(2) the name of the originating and receiving strategies, and the method of financing and FTEs for each strategy by fiscal year;

House

(3) an estimate of performance levels and, where relevant, a comparison to targets included in this Act for both the originating and the receiving strategies; and

(4) the capital budget impact.

Additional information requested by the Legislative Budget Board or the Governor should be provided in a timely manner. The request and information provided subsequently shall be prepared in a format specified by the Legislative Budget Board.

The transfer request shall be considered to be disapproved unless the Legislative Budget Board and the Governor issue written approvals within 45 calendar days of receipt of the request.

The Comptroller of Public Accounts shall not allow the transfer of funds if the Legislative Budget Board provides notification to the Comptroller of Public Accounts that the requirements of this provision have not been satisfied.

18. **Medicaid and Title IV-E Federal Funds.** Out of the funds appropriated above, the Department of Family and Protective Services shall maximize the use of federal entitlement revenue from the Medicaid and Title IV-E Foster Care and Adoption Assistance programs.

a. **Appropriations for Child Protective Services.** Included in the amounts appropriated above for child protective services are the following amounts of federal entitlement revenue from the Medicaid and Title IV-E Foster Care and Adoption Assistance programs:

(1) Strategy B.1.1, CPS Direct Delivery Staff: $1,250,102 in Medicaid Federal Funds and $64,887,485 in Title IV-E Federal Funds for fiscal year 2012, and $1,250,144 in Medicaid Federal Funds and $64,889,702 in Title IV-E Federal Funds for fiscal year 2013; and

Senate

(3) an estimate of performance levels and, where relevant, a comparison to targets included in this Act for both the originating and the receiving strategies; and

(4) the capital budget impact.

Additional information requested by the Legislative Budget Board or the Governor should be provided in a timely manner. The request and information provided subsequently shall be prepared in a format specified by the Legislative Budget Board.

The transfer request shall be considered to be disapproved unless the Legislative Budget Board and the Governor issue written approvals within 45 calendar days of receipt of the request.

The Comptroller of Public Accounts shall not allow the transfer of funds if the Legislative Budget Board provides notification to the Comptroller of Public Accounts that the requirements of this provision have not been satisfied.

19. **Medicaid and Title IV-E Federal Funds.** Out of the funds appropriated above, the Department of Family and Protective Services shall maximize the use of federal entitlement revenue from the Medicaid and Title IV-E Foster Care and Adoption Assistance programs.

a. **Appropriations for Child Protective Services.** Included in the amounts appropriated above for child protective services are the following amounts of federal entitlement revenue from the Medicaid and Title IV-E Foster Care and Adoption Assistance programs:

(1) Strategy B.1.1, CPS Direct Delivery Staff: $1,239,299 in Medicaid Federal Funds and $64,549,685 in Title IV-E Federal Funds for fiscal year 2012, and $1,239,341 in Medicaid Federal Funds and $64,551,902 in Title IV-E Federal Funds for fiscal year 2013; and

House

(2) Strategy B.1.2, CPS Program Support: $64,812 in Medicaid Federal Funds and $9,808,315 in Title IV-E Federal Funds for fiscal year 2012, and $64,811 in Medicaid Federal Funds and $9,808,315 in Title IV-E Federal Funds for fiscal year 2013.

b. **Appropriations for Adult Protective Services.** Included in the amounts appropriated above for adult protective services are the following amounts of federal entitlement revenue from the Medicaid program:

(1) Strategy D.1.1, APS Direct Delivery Staff: $1,927,217 in Medicaid Federal Funds for fiscal year 2012, and $1,927,217 in Medicaid Federal Funds for fiscal year 2013; and

(2) Strategy D.1.2, APS Program Support: $378,100 in Medicaid Federal Funds for fiscal year 2012, and $378,101 in Medicaid Federal Funds for fiscal year 2013.

c. **Limitation on Use of General Revenue Funds and TANF Federal Funds.** In the event that federal entitlement revenues exceed the amounts noted above, the department may spend the General Revenue Funds and TANF Federal Funds thereby made available only to the extent authorized in writing by the Legislative Budget Board and the Governor.

d. **Request for Approval to Use General Revenue Funds and TANF Federal Funds.** To request approval pursuant to subsection (c) above, the department shall submit a written request to the Legislative Budget Board and the Governor that includes the following information:

(1) the reason for and amount of federal entitlement revenue that exceeds the amounts noted in subsection (a) or (b) above;

Senate

(2) Strategy B.1.2, CPS Program Support: $64,812 in Medicaid Federal Funds and $9,808,315 in Title IV-E Federal Funds for fiscal year 2012, and $64,811 in Medicaid Federal Funds and $9,808,315 in Title IV-E Federal Funds for fiscal year 2013.

b. **Appropriations for Adult Protective Services.** Included in the amounts appropriated above for adult protective services are the following amounts of federal entitlement revenue from the Medicaid program:

(1) Strategy D.1.1, APS Direct Delivery Staff: $1,927,217 in Medicaid Federal Funds for fiscal year 2012, and $1,927,217 in Medicaid Federal Funds for fiscal year 2013; and

(2) Strategy D.1.2, APS Program Support: $378,520 in Medicaid Federal Funds for fiscal year 2012, and $378,521 in Medicaid Federal Funds for fiscal year 2013.

c. **Limitation on Use of General Revenue Funds and TANF Federal Funds.** In the event that federal entitlement revenues exceed the amounts noted above, the department may spend the General Revenue Funds and TANF Federal Funds thereby made available only to the extent authorized in writing by the Legislative Budget Board and the Governor.

d. **Request for Approval to Use General Revenue Funds and TANF Federal Funds.** To request approval pursuant to subsection (c) above, the department shall submit a written request to the Legislative Budget Board and the Governor that includes the following information:

(1) the reason for and amount of federal entitlement revenue that exceeds the amounts noted in subsection (a) or (b) above;

House

(2) a detailed explanation of the purpose(s) of the expenditure and whether the expenditure will be one-time or ongoing;

(3) the name of the strategy or strategies affected by the expenditure and the method of financing and FTEs for each strategy by fiscal year;

(4) the impact of the expenditure on performance levels and, where relevant, a comparison to targets included in this Act for the affected strategy or strategies; and

(5) the impact of the expenditure on the capital budget.

Additional information requested by the Legislative Budget Board or the Governor should be provided in a timely manner. The request and information provided subsequently shall be prepared and submitted in a format specified by the Legislative Budget Board.

e. The Comptroller of Public Accounts shall not allow the expenditure of funds if the Legislative Budget Board provides notification to the Comptroller of Public Accounts that the requirements of this provision have not been satisfied.

24. Funding Reductions. Appropriations made above to the Department of Family and Protective Services reflect reductions of $27,972,708 in General Revenue Funds and $24,228,076 in Federal Funds ($52,200,784 in All Funds) in fiscal year 2012 and $12,292,891 in General Revenue Funds and $10,418,878 in Federal Funds ($22,711,769 in All Funds) in fiscal year 2013, for a 2012-13 total reduction of $40,265,599 in General Revenue Funds and $74,912,553 in All Funds.

Senate

(2) a detailed explanation of the purpose(s) of the expenditure and whether the expenditure will be one-time or ongoing;

(3) the name of the strategy or strategies affected by the expenditure and the method of financing and FTEs for each strategy by fiscal year;

(4) the impact of the expenditure on performance levels and, where relevant, a comparison to targets included in this Act for the affected strategy or strategies; and

(5) the impact of the expenditure on the capital budget.

Additional information requested by the Legislative Budget Board or the Governor should be provided in a timely manner. The request and information provided subsequently shall be prepared and submitted in a format specified by the Legislative Budget Board.

e. The Comptroller of Public Accounts shall not allow the expenditure of funds if the Legislative Budget Board provides notification to the Comptroller of Public Accounts that the requirements of this provision have not been satisfied.

22. At-Risk Prevention Programs. The Department of Family and Protective Services may only use funds appropriated above in Strategy C.1.5, Other At-Risk Prevention Programs, for at-risk prevention services that are competitively procured.

House

The reductions described by this rider are due to reduced availability of Federal Funds following the expiration of the enhanced Federal Medical Assistance Percentage ("FMAP") provisions contained in the American Recovery and Reinvestment Act of 2009.

25. **Appropriations for Day Care Services.** Notwithstanding any other transfer provisions of this Act, the department may transfer funds from Strategy B.1.4, TWC Relative Day Care, to Strategy B.1.3 TWC Foster Day Care, and Strategy B.1.5, TWC Protective Day Care.

26. **Juvenile Probation Foster Care Candidates.** The Department of Family and Protective Services (DFPS) and the Texas Juvenile Probation Commission (TJPC) shall, to the extent authorized by state and federal law, maximize the use of Title IV-E Federal Funds for

Senate

25. **Texas At-Risk Youth Services Project.** Out of funds appropriated above in Strategy C.1.1, STAR Program, up to $500,000 in General Revenue Funds in fiscal year 2012 shall be used for an external evaluation of Texas' current methods of at-risk youth service delivery. The evaluation shall include, but not be limited to, recommendations for a model system of at-risk youth service delivery with clear accountability measures. The Department of Family and Protective Services shall enter into a Memorandum of Understanding with the Legislative Budget Board for purposes of implementing this rider. The Legislative Budget Board shall oversee the administration of this contract. Notwithstanding any other provision in this Act, any unexpended balance remaining at the end of fiscal year 2012 is hereby appropriated for the same purpose for the fiscal year beginning September 1, 2012.

26. **Limitations on Funding for Non-Recurring Adoption Payments.** Out of funds appropriated above in Strategy B.1.12, Adoption Subsidy and Permanency Care Assistance Payments, the Department of Family and Protective Services may allocate up to $1,740,657 in General Revenue Funds and $1,740,657 in Federal Funds in fiscal year 2012, and up to $1,740,657 in General Revenue Funds and $1,740,657 in Federal Funds in fiscal year 2013, for non-recurring payments associated with the adoption of a foster child with special needs. The department may not spend more than these amounts for non-recurring adoption payments.

House	Senate
administrative costs of the county juvenile probation departments for foster care candidates. It is legislative intent that DFPS and TJPC work together with the county juvenile probation departments to examine changes in policies and practices needed to meet federal regulations, and move forward with changes that are economical and efficient in order to claim Title IV-E administrative costs for foster care candidates.	
27. **Foster Care Redesign.** It is the intent of the Legislature that the Department of Family and Protective Services begin to implement the redesign of the foster care system during the FY 2012-2013 biennium to meet the goals of the Foster Care Redesign report submitted to this Legislature in February 2011. Notwithstanding the transfer provision in Article IX of this Act, transfers may be made between the following appropriation items: Strategy B.1.3, TWC Foster Day Care Strategy B.1.6, Adoption Purchased Services Strategy B.1.7, Post-Adoption Purchased Services Strategy B.1.8, PAL Purchased Services Strategy B.1.9, Substance Abuse Purchased Services Strategy B.1.10, Other CPS Purchased Services Strategy B.1.11, Foster Care Payments The Health and Human Services Commission is authorized to use different payment methodologies for foster care redesign than those used for the 24-hour residential child-care rates in effect on the effective date of this Act. Payment methodologies for foster care redesign may include incentive payments for improved outcomes in comparison to historical outcomes, as well as funding for additional services provided to families not historically included in 24-hour residential child-care rates. Final implementation of the foster care redesign must include a payment system based on performance targets. Payment rates under foster care redesign may not result in total expenditures for any fiscal year in the FY 12-13 biennium that exceed the amounts appropriated by this Act for the seven Strategies listed above, except to the extent that any increase in total foster care expenditures is the direct result of caseload growth. During the	**32.** **Foster Care Redesign.** It is the intent of the Legislature that the Department of Family and Protective Services begin to redesign the foster care system to meet the goals of the *Improving Child and Youth Placement Outcomes: A System Redesign* report dated January 2011. Out of funds appropriated above, the department may use payment rates for foster care under the redesigned system that are different from those used on the effective date of this Act for 24-hour residential child care. The payment rates for foster care redesign may include incentives for improved outcomes and funding for services to families not historically included in 24-hour residential child-care rates. The payment rates for foster care redesign may not result in total expenditures for any fiscal year that exceed the amounts appropriated by this Act for foster care and related family services, except to the extent that any increase in total foster care expenditures is the direct result of caseload growth in foster care. The department shall report annually to the Senate Committee on Finance, the House Committee on Appropriations, the Senate Committee on Health and Human Services, the House Committee on Human Services, the Legislative Budget Board, and the Governor expenditures for foster care redesign and progress toward the achievement of improved outcomes for children, youth, and families based on quality indicators identified in the report noted above. The report shall be prepared in a format specified by the Legislative Budget Board.

House

implementation period, foster care redesign rates are hereby exempted from the rate limitations and reporting requirements set out in Special Provisions Relating to All Health and Human Services Agencies. Nothing in this rider is intended to prohibit the Department of Family and Protective Services from continuing to reimburse some foster care providers under the 24-hour residential child-care rates in effect on the effective date of this Act, while using alternative payment methodologies for other foster care providers during the phase-in period for implementation of the foster care redesign initiative. The department shall submit a status report on the implementation with findings and recommendations to the Senate Finance Committee, the House Committee on Appropriations, the Legislative Budget Board, and the Governor, no later than December 1, 2012.

28. Contingency for House Bill 1709. Contingent on enactment of House Bill 1709 by the Eighty-second Legislature, Regular Session, or similar legislation relating to the creation of the individual development account program to provide savings incentives and opportunities for certain foster children to pursue home ownership, postsecondary education, and business development, the Department of Family and Protective Services is hereby appropriated $_____in fiscal year 2012 and $_____in fiscal year 2013 out of the General Revenue Fund to implement the provisions of the bill.

Senate

28. Timely Due Process. The Department of Family and Protective Services shall use the following amounts to contract for legal staff to reduce the backlog of appeal cases filed by persons with abuse or neglect findings:

a. $86,465 in General Revenue Funds for fiscal year 2012 and $83,653 in General Revenue Funds for fiscal year 2013, from funds appropriated above in Strategy D.1.2. APS Program Support, and

b. $913,535 in General Revenue Funds for fiscal year 2012 and $916,347 in General Revenue Funds for fiscal year 2013, from funds appropriated above in Strategy E.1.1, Child Care Regulation.

House	Senate
	29. Contingency for Senate Bill ____. Contingent on passage of Senate Bill ___, or similar legislation relating to an increase in child care licensing fees, by the Eighty-second Legislature, Regular Session, the Department of Family and Protective Services is appropriated $____ for fiscal year 2012 from General Revenue Funds, and $____ for fiscal year 2013 from General Revenue Funds, to implement the provisions of the legislation.
29. Caseloads Per Worker and Call Processing Reporting Requirements. Not later than October 1 of each year of the biennium, the Department of Family and Protective Services shall report to the Legislative Budget Board, the Governor, and the standing committees of the Senate and the House of Representatives having primary jurisdiction over the department, data for the previous fiscal year regarding daily caseloads per worker for each protective services program and the average hold time and call abandonment rate for statewide intake telephone calls relating to reports of abuse, neglect, or exploitation. The report shall be prepared in a format specified by the Legislative Budget Board.	**17. Caseload Per Worker Reporting Requirements.** The Department of Family and Protective Services shall report to the Legislative Budget Board and the Governor, by October 1 of each year of the biennium, daily caseload per worker data for each protective services program for the previous fiscal year. The report shall be prepared in a format specified by the Legislative Budget Board.
	30. Rates and Payments. None of the funds appropriated above to the Department of Family and Protective Services may be used to reimburse a provider for foster care services in an amount that exceeds the applicable foster care reimbursement rate, as established by the Health and Human Services Commission for a child at that service level, unless the Department is unable to locate a provider that is willing and able to provide a safe and appropriate placement at the applicable rate.
30. Call Processing and Worker Caseload Standards. It is the intent of the Legislature that the Department of Family and Protective Services use money appropriated to the department by this Act in Goal A, Statewide Intake Services; Goal B, Child Protective Services; and Goal D, Adult Protective Services, to work toward achieving the following enhanced performance target levels: a. an average hold time for statewide intake telephone calls relating to reports of abuse, neglect, or exploitation that does not exceed eight minutes, notwithstanding the	

House

performance target levels identified in Goal A, Statewide Intake Services, in Rider 1, Performance Measure Targets;

b. a call abandonment rate for statewide intake telephone calls relating to reports of abuse, neglect, or exploitation that does not exceed 25 percent;

c. a daily caseload for a child protective services caseworker performing investigations that does not exceed an average of 21 cases, notwithstanding the performance target levels identified in Strategy B.1.1, CPS Direct Delivery Staff, in Rider 1, Performance Measure Targets;

d. a daily caseload for a child protective services caseworker providing family-based safety services that does not exceed an average of 18 cases, notwithstanding the performance target levels identified in Strategy B.1.1, CPS Direct Delivery Staff, in Rider 1, Performance Measure Targets;

e. a daily caseload for an adult protective services caseworker providing services through in-home programs that does not exceed an average of 27 cases, notwithstanding the performance target levels identified in Strategy D.1.1, APS Direct Delivery Staff, in Rider 1, Performance Measure Targets; and

f. an adult protective services caseworker turnover rate that is lower than the performance target levels identified in Goal D, Adult Protective Services, in Rider 1, Performance Measure Targets.

Senate

31. Sliding Fee Scale for Relative and Foster Day Care Services. Funds appropriated above in Strategy B.1.3, TWC Foster Day Care, and Strategy B.1.4, TWC Relative Day Care, assume that a sliding fee scale based on family income and size will be implemented by the Texas Workforce Commission.

House

2. Capital Budget. None of the funds appropriated above may be expended for capital budget items except as listed below. The amounts shown below shall be expended only for the purposes shown and are not available for expenditure for other purposes. Amounts appropriated above and identified in this provision as appropriations either for "Lease Payments to the Master Lease Purchase Program" or for items with an "(MLPP)" notation shall be expended only for the purpose of making lease-purchase payments to the Texas Public Finance Authority pursuant to the provisions of Government Code, §1232.103.

	2012	2013
a. Construction of Buildings and Facilities		
(1) Laboratory - Bond Debt Service	$ 2,866,609	$ 2,874,719
b. Repair or Rehabilitation of Buildings and Facilities		
(1) Repair and Renovation of MH Hospitals - SJR 65/SB 2033	13,200,000	UB
c. Acquisition of Information Resource Technologies		
(1) Seat Management	6,126,604	5,505,313
(2) Data Center Consolidation	10,120,020	10,139,902
(3) IT Accessibility	1,079,943	1,079,943

Senate

2. Capital Budget. None of the funds appropriated above may be expended for capital budget items except as listed below. The amounts shown below shall be expended only for the purposes shown and are not available for expenditure for other purposes. Amounts appropriated above and identified in this provision as appropriations either for "Lease Payments to the Master Lease Purchase Program" or for items with an "(MLPP)" notation shall be expended only for the purpose of making lease-purchase payments to the Texas Public Finance Authority pursuant to the provisions of Government Code, §1232.103.

	2012	2013
a. Construction of Buildings and Facilities		
(1) Laboratory - Bond Debt Service	$ 2,866,609	$ 2,874,719
Total, Construction of Buildings and Facilities	$ 2,866,609	$ 2,874,719
b. Repair or Rehabilitation of Buildings and Facilities		
(1) Repair and Renovation of MH Hospitals - SJR 65/SB 2033	13,200,000	UB
(2) Critical Repairs to Moreton Building	20,000,000	UB
Total, Repair or Rehabilitation of Buildings and Facilities	$ 33,200,000	$ 0
c. Acquisition of Information Resource Technologies		
(1) Seat Management	6,130,414	5,508,989
(2) Data Center Consolidation	10,126,580	10,146,522
(3) IT Accessibility	1,079,943	1,079,943
(4) Critical Information Technology Items - MH Hospitals	1,660,000	UB
(5) Security Improvements	1,200,000	1,200,000

	House		Senate	
(6) Upgrade Pharmacy/Medication Applications - MH Hospitals			1,216,320	1,216,320
Total, Acquisition of Information Resource Technologies	$ 17,326,567	$ 16,725,158	$ 21,413,257	$ 19,151,774
d. Acquisition of Capital Equipment and Items				
(1) Lab Equipment	3,090,419	1,731,179		
(1) Laboratory Equipment			3,090,419	1,731,179
(2) Critical Equipment for Hospitals			6,635,262	UB
(3) MH Hospitals - Consolidated Laundry Operations			77,604	UB
Total, Acquisition of Capital Equipment and Items			$ 9,803,285	$ 1,731,179
e. Other Lease Payments to the Master Lease Purchase Program (MLPP)				
(1) Payment of MLPP - Energy Conservation-MH	3,123,666	3,099,415	3,123,666	3,099,415
(2) Lease Pmts to MLPP MH Facilities Equipment	222,468	0	222,468	0
(3) Lease Pmts to MLPP Communications Equip	184,809	123,333	184,809	123,333
(4) Lease Pmts to MLPP Vehicles	424,077	90,541	424,077	90,541
Total, Other Lease Payments to the Master Lease Purchase Program (MLPP)	$ 3,955,020	$ 3,313,289	$ 3,955,020	$ 3,313,289
Total, Capital Budget	$ 40,438,615	$ 24,644,345	$ 71,238,171	$ 27,070,961
Method of Financing (Capital Budget):				
General Revenue Fund				
General Revenue Fund	$ 21,466,397	$ 18,868,944	$ 32,082,963	$ 21,112,644
General Revenue - Insurance Companies Maintenance Tax and Insurance Department Fees	11,696	11,745	11,696	11,745
Subtotal, General Revenue Fund	$ 21,478,093	$ 18,880,689	$ 32,094,659	$ 21,124,389

ARTICLE II - HEALTH AND HUMAN SERVICES
537 State Health Services, Department of
DIFFERENCES ONLY
(Continued)

	House		Senate	
General Revenue Fund - Dedicated			General Revenue Fund - Dedicated	
Vital Statistics Account No. 019	31,969	32,025	Vital Statistics Account No. 019	31,969	32,025
Hospital Licensing Account No. 129	3,148	3,154	Hospital Licensing Account No. 129	3,148	3,154
Food and Drug Fee Account No. 341	4,793	4,802	Food and Drug Fee Account No. 341	4,793	4,802
Bureau of Emergency Management Account No. 512	5,402	5,412	Bureau of Emergency Management Account No. 512	5,402	5,412
Department of Health Public Health Services Fee Account No. 524	340,204	340,892	Department of Health Public Health Services Fee Account No. 524	340,204	340,892
Commission on State Emergency Communications Account No. 5007	61	61	Commission on State Emergency Communications Account No. 5007	61	61
Asbestos Removal Licensure Account No. 5017	91,683	91,872	Asbestos Removal Licensure Account No. 5017	91,683	91,872
Workplace Chemicals List Account No. 5020	1,672	1,673	Workplace Chemicals List Account No. 5020	1,672	1,673
Certificate of Mammography Systems Account No. 5021	733	734	Certificate of Mammography Systems Account No. 5021	733	734
Food and Drug Registration Account No. 5024	12,237	12,249	Food and Drug Registration Account No. 5024	12,237	12,249
Permanent Fund for Health and Tobacco Education and Enforcement Account No. 5044	20,454	20,475	Permanent Fund for Health and Tobacco Education and Enforcement Account No. 5044	20,454	20,475
Permanent Fund Children & Public Health Account No. 5045	536	536	Permanent Fund Children & Public Health Account No. 5045	536	536
Permanent Fund for EMS & Trauma Care Account No. 5046	2,528	2,531	Permanent Fund for EMS & Trauma Care Account No. 5046	2,528	2,531
EMS, Trauma Facilities, Trauma Care Systems Account No. 5108	124	124	EMS, Trauma Facilities, Trauma Care Systems Account No. 5108	124	124
Trauma Facility and EMS Account No. 5111	712	713	Trauma Facility and EMS Account No. 5111	712	713
Health Department Laboratory Financing Fees Account No. 8026	2,866,609	2,874,719	Health Department Laboratory Financing Fees Account No. 8026	2,866,609	2,874,719
Subtotal, General Revenue Fund - Dedicated	$ 3,382,865	$ 3,391,972	Subtotal, General Revenue Fund - Dedicated	$ 3,382,865	$ 3,391,972
Federal Funds	1,811,929	1,805,884	Federal Funds	1,984,549	1,978,504
Other Funds			Other Funds		
Appropriated Receipts	1,422	1,426	Appropriated Receipts	1,422	1,426
DSHS Public Health Medicaid Reimbursements	549,762	549,847	DSHS Public Health Medicaid Reimbursements	549,762	549,847
Interagency Contracts	14,544	14,527	Interagency Contracts	24,914	24,823

	House		Senate	
Bond Proceeds - General Obligation Bonds	13,200,000	UB	33,200,000	0
Subtotal, Other Funds	$ 13,765,728	$ 565,800	$ 33,776,098	$ 576,096
Total, Method of Financing	$ 40,438,615	$ 24,644,345	$ 71,238,171	$ 27,070,961

3. **Client Services.** It is the intent of the Legislature that the Department of State Health Services (DSHS) and the Department of Family and Protective Services (DFPS) enter into a Memorandum of Understanding for providing outpatient treatment services by DSHS to referred DFPS clients.

3. **Client Services.** It is the intent of the Legislature that the Department of State Health Services (DSHS) and the Department of Family and Protective Services (DFPS) enter into a Memorandum of Understanding for providing outpatient treatment services by DSHS to referred DFPS clients. Out of Substance Abuse Prevention and Treatment Block Grant federal funding at DSHS, a maximum of $2,070,114 for the biennium may be used for qualified services to DFPS clients.

4. **Notification of Intent to Utilize Additional Federal SAPT Block Grant Funds.** The Department of State Health Services (DSHS) shall notify the Legislative Budget Board and the Governor of its intent to use additional federal Substance Abuse Prevention and Treatment (SAPT) block grant funds in excess of the amounts specifically appropriated in the strategies above, which total $133,431,971 for fiscal year 2012 and $133,431,971 for fiscal year 2013. This notification shall explain the services to be provided, the original source of funding for the program or services or indicate that programs or services are being expanded beyond levels assumed in the appropriations act, and the grant and amount of the grant funds to be used. The notification shall be submitted at least 45 days prior to allocations made out of funds appropriated above.

4. **Notification of Intent to Utilize Additional Federal SAPT Block Grant Funds.** The Department of State Health Services (DSHS) shall notify the Legislative Budget Board and the Governor of its intent to use additional federal Substance Abuse Prevention and Treatment (SAPT) block grant funds in excess of the amounts specifically appropriated in the strategies above, which total $136,729,169 for fiscal year 2012 and $135,356,221 for fiscal year 2013. This notification shall explain the services to be provided, the original source of funding for the program or services or indicate that programs or services are being expanded beyond levels assumed in the appropriations act, and the grant and amount of the grant funds to be used. The notification shall be submitted at least 45 days prior to allocations made out of funds appropriated above.

5. **Other Reporting Requirements.**

a. **Federal Reports**. The Department of State Health Services shall submit the following information to the Legislative Budget Board and the Governor no later than the date the respective report is submitted to the federal government:

(1) Notification of proposed State Plan amendments and waivers for the Maternal and

5. **Other Reporting Requirements.**

a. **Federal Reports**. The Department of State Health Services shall submit the following information to the Legislative Budget Board and the Governor no later than the date the respective report is submitted to the federal government:

(1) Notification of proposed State Plan amendments and waivers for the Maternal and

House

Child Health Block Grant (Title V of the Social Security Act), the Special Supplemental Food Program for Women, Infants and Children Program (Child Nutrition Act of 1966), and the Substance Abuse, Prevention and Treatment Block Grant and any other federal grant requiring a state plan. State Plan amendments and waiver submissions shall also be provided to the Senate Health and Human Services, House Human Services, and House Public Health committee.

(2) A copy of each report or petition submitted to the federal government relating to the grants and programs noted above under section a (l).

b. **Federal Issues.** The Department of State Health Services shall notify the Legislative Budget Board and the Governor on a timely basis about emerging issues that could result in the loss of more than $1,000,000 in federal revenue assumed in the appropriations act.

c. **Monthly Financial Reports.** The Department of State Health Services shall submit the following information to the Legislative Budget Board and the Governor, and make available to the public, on a monthly basis:

(1) Information on appropriated, budgeted, expended and projected funds, by strategy and method of finance.

(2) Narrative explanations of significant budget adjustments, ongoing budget issues, and other as appropriate.

(3) Collections, expenditures, and balances for revenues generated by the department as of the last day of the prior month.

(4) Any other information requested by the Legislative Budget Board or the Governor.

d. The monthly financial reports shall be prepared in a format specified by the Legislative Budget Board.

Senate

Child Health Block Grant (Title V of the Social Security Act), the Special Supplemental Food Program for Women, Infants and Children Program (Child Nutrition Act of 1966), and the Substance Abuse, Prevention and Treatment Block Grant and any other federal grant requiring a state plan. State Plan amendments and waiver submissions shall also be provided to the Senate Health and Human Services, House Human Services, and House Public Health committee.

(2) A copy of each report or petition submitted to the federal government relating to the grants and programs noted above under section a (l).

b. **Federal Issues.** The Department of State Health Services shall notify the Legislative Budget Board and the Governor on a timely basis about emerging issues that could result in the loss of more than $1,000,000 in federal revenue assumed in the appropriations act.

c. **Monthly Financial Reports.** The Department of State Health Services shall submit the following information to the Legislative Budget Board and the Governor on a monthly basis:

(1) Information on appropriated, budgeted, expended and projected funds, by strategy and method of finance.

(2) Narrative explanations of significant budget adjustments, ongoing budget issues, and other as appropriate.

(3) Collections, expenditures, and balances for revenues generated by the department as of the last day of the prior month.

(4) Any other information requested by the Legislative Budget Board or the Governor.

d. The monthly financial reports shall be prepared in a format specified by the Legislative Budget Board.

House

8. **Transfers of Appropriation - State Owned Hospitals.** The Department of State Health Services (DSHS) shall transfer from non-Medicaid state appropriated funds the following amounts to the Health and Human Services Commission for the Disproportionate Share Hospital Reimbursement Program:

	2012	2013
State Mental Health Hospitals	$290,022,095	$ 290,022,095
Texas Center for Infectious Disease	10,410,309	10,410,309
	$300,432,404	$ 300,432,404

The timing and form of such transfers shall be determined by the Comptroller of Public Accounts in consultation with the Health and Human Services Commission. The Legislative Budget Board is authorized to adjust the amounts of such transfers as necessary to match available federal funds. The department shall also transfer non-Medicaid state appropriated funds as necessary for other qualifying state-funded community hospitals including mental health community hospitals. DSHS shall monitor Medicaid utilization rates at these state-owned hospitals to ensure their qualification for the Disproportionate Share Hospital Reimbursement Program.

Senate

8. **Transfers of Appropriation - State Owned Hospitals.** The Department of State Health Services (DSHS) shall transfer from non-Medicaid state appropriated funds the following amounts to the Health and Human Services Commission for the Disproportionate Share Hospital Reimbursement Program:

	2012	2013
State Mental Health Hospitals	$290,022,095	$290,022,095
Texas Center for Infectious Disease	23,936,680	23,936,680
	$313,958,775	$313,958,775

The timing and form of such transfers shall be determined by the Comptroller of Public Accounts in consultation with the Health and Human Services Commission. The Legislative Budget Board is authorized to adjust the amounts of such transfers as necessary to match available federal funds. The department shall also transfer non-Medicaid state appropriated funds as necessary for other qualifying state-funded community hospitals including mental health community hospitals. DSHS shall monitor Medicaid utilization rates at these state-owned hospitals to ensure their qualification for the Disproportionate Share Hospital Reimbursement Program.

21. **Funding for Abstinence Sexual Education.** It is the intent of the Legislature that funds appropriated in Strategy A.3.2, Abstinence Education, including $1,118,417 in General Revenue, be utilized for the purpose of implementing abstinence sexual education programs to reduce the need for future family planning services for unwed minors. Any Federal Funds received by the agency for abstinence education are appropriated to the agency for this purpose. Abstinence education means materials and instruction which:

a. Present abstinence from sexual activity as the preferred choice of behavior for unmarried persons; and

House	Senate
	b. Emphasize that abstinence from sexual activity, used consistently and correctly, is the only method that is 100 percent effective in preventing pregnancy, sexually transmitted disease, and infection with human immunodeficiency virus or acquired immunodeficiency syndrome.
27. **Reimbursement of Advisory Committee Members.** Pursuant to Government Code §2110.004, or the statute authorizing the specific committee for those committees not subject to Government Code §2110.004, reimbursement of expenses for advisory committee members, out of funds appropriated above not to exceed $200,000 per fiscal year, is limited to the following advisory committees: State Preventive Health Advisory Committee, Texas Radiation Advisory Board, Preparedness Coordinating Council, the Texas Organ, Tissue, and Eye Donor Council, Governor's Emergency Medical Services and Trauma Advisory Council, and Local Authority Network Advisory Committee.	28. **Reimbursement of Advisory Committee Members.** Pursuant to Government Code §2110.004, reimbursement of expenses for advisory committee members, out of funds appropriated above not to exceed $200,000 per fiscal year, is limited to the following advisory committees: State Preventive Health Advisory Committee, Texas Radiation Advisory Board, Preparedness Coordinating Council, the Texas Organ, Tissue, and Eye Donor Council, Governor's Emergency Medical Services and Trauma Advisory Council, and Local Authority Network Advisory Committee.
Pursuant to Government Code §2110.004, or the statute authorizing the specific committee for those committees not subject to Government Code §2110.004, reimbursement of expenses for advisory committee members, out of funds appropriated above, is limited to any advisory committee member who represents either the general public or consumer on the following advisory committees: Texas HIV Medication Program Advisory Committee, Registered Sanitarian Advisory Committee, Code Enforcement Officer's Advisory Committee, Promotora Community Health Worker Training and Certification Committee, Medical Radiological Technologist Advisory Committee, Respiratory Care Practitioner's Advisory Committee, Governor's Emergency Medical Services and Trauma Advisory Council, Drug Demand Reduction Advisory Committee, Texas State Perfusionist Advisory Committee, Youth Camp Advisory Committee, Dyslexia Practitioners Advisory Committee, Newborn Screening Advisory Committee, Worksite Wellness Advisory Board, Texas Medical Child Abuse Resources and Education System Advisory Committee, the Advisory Panel on Health Care Associated Infections, and School Health Advisory Committee.	Pursuant to Government Code §2110.004, reimbursement of expenses for advisory committee members, out of funds appropriated above, is limited to any advisory committee member who represents either the general public or consumer on the following advisory committees: Texas HIV Medication Program Advisory Committee, Registered Sanitarian Advisory Committee, Code Enforcement Officer's Advisory Committee, Promotora Community Health Worker Training and Certification Committee, Medical Radiological Technologist Advisory Committee, Respiratory Care Practitioner's Advisory Committee, Governor's Emergency Medical Services and Trauma Advisory Council, Drug Demand Reduction Advisory Committee, Texas State Perfusionist Advisory Committee, Youth Camp Advisory Committee, Dyslexia Practitioners Advisory Committee, Newborn Screening Advisory Committee, Worksite Wellness Advisory Board, Texas Medical Child Abuse Resources and Education System Advisory Committee, the Advisory Panel on Health Care Associated Infections, and School Health Advisory Committee.

House	Senate
Pursuant to Government Code, §2110.004, reimbursement of expenses for advisory committee members, out of funds appropriated above not to exceed $18,978 per year, is limited to the Mental Health Planning and Advisory Committee. To the maximum extent possible, the department shall encourage the use of videoconferencing and teleconferencing and shall schedule meetings and locations to facilitate the travel of participants so that they may return the same day and reduce the need to reimburse members for overnight stays.	Pursuant to Government Code, §2110.004, reimbursement of expenses for advisory committee members, out of funds appropriated above not to exceed $18,978 per year, is limited to the Mental Health Planning and Advisory Committee. To the maximum extent possible, the department shall encourage the use of videoconferencing and teleconferencing and shall schedule meetings and locations to facilitate the travel of participants so that they may return the same day and reduce the need to reimburse members for overnight stays.
29. Unexpended Balances - Preparedness and Prevention, and Consumer Protection Services. All unexpended balances, including General Revenue and All Funds, not otherwise restricted from appropriations to Goal A, Preparedness and Prevention Services, and Goal D, Consumer Protection Services, at the close of the fiscal year ending August 31, 2012, are hereby appropriated for the fiscal year beginning September 1, 2012 only upon prior written approval by the Legislative Budget Board and Governor. For authorization to expend the funds, the agency shall submit a written request to the Legislative Budget Board and the Governor by August 1, 2012. At the same time, the agency shall provide a copy of the request to the Comptroller of Public Accounts. The request must be organized by fiscal year as follows: a. The following information shall be provided for the fiscal year with an unexpended balance: (1) an explanation of the causes of the unexpended balance(s); (2) the amount of the unexpended balance(s) by strategy; and (3) an estimate of performance levels and, where relevant, a comparison to targets in this Act.	**30. Unexpended Balances - Preparedness and Prevention, and Consumer Protection Services.** All unexpended balances, including General Revenue and All Funds, not otherwise restricted from appropriations to Goal A, Preparedness and Prevention Services, and Goal D, Consumer Protection Services, at the close of the fiscal year ending August 31, 2012, are hereby appropriated for the fiscal year beginning September 1, 2012 only upon prior written approval by the Legislative Budget Board and Governor. For authorization to expend the funds, the agency shall submit a written request to the Legislative Budget Board and the Governor by August 1, 2012. At the same time, the agency shall provide a copy of the request to the Comptroller of Public Accounts. The request must be organized by fiscal year as follows: a. The following information shall be provided for the fiscal year with an unexpended balance: (1) an explanation of the causes of the unexpended balance(s); (2) the amount of the unexpended balance(s) by strategy; and (3) an estimate of performance levels and, where relevant, a comparison to targets in this Act.

House

b. The following information shall be provided for the fiscal year receiving the funds:

(1) an explanation of purpose for which the unexpended balance(s) will be used and whether the expenditure will be one-time or ongoing;

(2) the amount of the expenditure by strategy;

(3) an estimate of performance levels, and where relevant, a comparison to targets in this Act; and

(4) the capital budget impact.

The request shall be considered to be approved unless the Legislative Budget Board or the Governor issue a written disapproval within 30 business days of the date on which the staff of the Legislative Budget Board concludes its review of the proposal to expend the funds and forward its review to the Chair of the House Appropriations Committee, Chair of the Senate Finance Committee, Speaker of the House, and Lieutenant Governor.

The Comptroller of Public Accounts shall not allow the use of unexpended balances authorized by any of the above subsections if the Legislative Budget Board provides notification to the Comptroller of Public Accounts that the requirements of this provision have not been satisfied.

54. Family Planning Services at Federally Qualified Health Centers. Out of funds appropriated in Strategy B.1.3, Family Planning Services, up to $10,000,000 in each year of the 2012-13 biennium shall be set aside for family planning services provided by Federally Qualified Health Centers (FQHCs). The Department shall implement this provision only to the extent that it will not have an adverse effect on the number served by the family planning program, especially in counties where no FQHC is available. In addition, up to $1,000,000 per year may be allocated to clinics for core family planning services provided under the auspices of Baylor College of Medicine. Funds will be allocated statewide to counties for family planning services according to DSHS' annual assessment of women-in-need. Any funds not

Senate

b. The following information shall be provided for the fiscal year receiving the funds:

(1) an explanation of purpose for which the unexpended balance(s) will be used and whether the expenditure will be one-time or ongoing;

(2) the amount of the expenditure by strategy;

(3) an estimate of performance levels, and where relevant, a comparison to targets in this Act; and

(4) the capital budget impact.

The request shall be considered to be disapproved unless the Legislative Budget Board and the Governor issue written approvals within 45 calendar days of receipt of the request.

The Comptroller of Public Accounts shall not allow the use of unexpended balances authorized by any of the above subsections if the Legislative Budget Board provides notification to the Comptroller of Public Accounts that the requirements of this provision have not been satisfied.

House

applied for and granted to FQHCs each fiscal year shall be made available to non-FQHC contractors. FQHCs funded under this strategy shall assure that recipients receive comprehensive primary and preventive care in addition to the family planning services. The Department of State Health Services shall work with FQHC contractors to assure that reporting requirements are aligned with FQHC eligibility, payment, and reporting requirements.

The Department of State Health Services shall re-allocate funds which are available to all providers to ensure that the funds appropriated in Strategy B.1.3, Family Planning Services, are fully utilized for family planning services and to prevent the underutilization of the funds appropriated. Any balances available from Title V and Title XX funds on August 31, 2012 are appropriated for fiscal year 2013 for the same purposes.

Senate

55. Civil Commitment and Monitoring and Treatment of Sex Offenders. It is the intent of the Legislature that the Special Prosecution Unit, Walker County (Strategy D.1.5, Judiciary Section, Comptroller's Department) initiate civil commitment proceedings against sexually violent predators. Included in amounts appropriated elsewhere in this Act to the Judiciary Section, Comptroller's Department is $4,631,460 for the 2012-13 biennium for this purpose.

It is also the intent of the Legislature that the Department of State Health Services (DSHS) Council on Sex Offender Treatment (Strategy D.1.7.) provide monitoring and treatment to those offenders civilly committed. Funding for these services, estimated to be $8,804,198 for the 2012-13 biennium is appropriated to DSHS through an interagency contract with the Judiciary Section, Comptroller's Department.

56. Limitation: Expenditure and Transfer of Additional Public Health Medicaid Reimbursements.

a. **Appropriations**. Included in the amounts appropriated above for the Department of State Health Services (DSHS) are the following amounts of Public Health Medicaid Reimbursements (Account 709):

58. Limitation: Expenditure and Transfer of Additional Public Health Medicaid Reimbursements.

a. **Appropriations**. Included in the amounts appropriated above for the Department of State Health Services (DSHS) are the following amounts of Public Health Medicaid Reimbursements (Account 709):

House

(1) Strategy A.2.1, Immunize Children and Adults in Texas: $341,686 in each fiscal year;

(2) Strategy A.4.1, Laboratory Services: $14,750,618 in each fiscal year;

(3) Strategy C.1.3, Mental Health State Hospitals: $35,464,586 in each fiscal year(Funding represents all additional Account 709 revenue anticipated to be available in the 2012-13 biennium ($70,929,172) based on the agency's estimate; the additional revenue is associated with an anticipated increase in laboratory fee revenue due to a rate change to align with Medicare rates); and

(4) Strategy E.1.1, Central Administration: $672,285 in each fiscal year.

b. **Limitation on Use of Public Health Medicaid Reimbursements (Account 709).**

(1) In the event that Public Health Medicaid Reimbursement revenues exceed the amounts noted above, the department may spend the Public Health Medicaid Reimbursement funds thereby made available only to the extent authorized in writing by the Legislative Budget Board and the Governor.

(2) Notwithstanding any other provisions contained in this Act, transfers of Public Health Medicaid Reimbursement revenues shall be made only to the extent authorized in writing by the Legislative Budget Board and the Governor.

c. **Request for Approval to use Additional Public Health Medicaid Reimbursements Funds**. To request approval pursuant to section (b-1) above, the department shall submit a written request to the Legislative Budget Board and the Governor. At the same time, the agency shall provide a copy of the request to the Comptroller of Public Accounts. The request shall include the following information:

Senate

(1) Strategy A.2.1, Immunize Children and Adults in Texas: $341,686 in each fiscal year;

(2) Strategy A.4.1, Laboratory Services: $14,750,618 in each fiscal year;

(3) Strategy C.1.3, Mental Health State Hospitals: $35,464,586 in each fiscal year (funding represents all additional Account 709 revenue anticipated to be available in the 2012-13 biennium ($70,929,172) based on the agency's estimate; the additional revenue is associated with an anticipated increase in laboratory fee revenue due to a rate change to align with Medicare rates); and

(4) Strategy E.1.1, Central Administration: $672,285 in each fiscal year.

b. **Limitation on Use of Public Health Medicaid Reimbursements (Account 709).**

(1) In the event that Public Health Medicaid Reimbursement revenues exceed the amounts noted above, the department may spend the Public Health Medicaid Reimbursement funds thereby made available only to the extent authorized in writing by the Legislative Budget Board and the Governor.

(2) Notwithstanding any other provisions contained in this Act, transfers of Public Health Medicaid Reimbursement revenues shall be made only to the extent authorized in writing by the Legislative Budget Board and the Governor.

c. **Request for Approval to use Additional Public Health Medicaid Reimbursements Funds**. To request approval pursuant to section (b-1) above, the department shall submit a written request to the Legislative Budget Board and the Governor. At the same time, the agency shall provide a copy of the request to the Comptroller of Public Accounts. The request shall include the following information:

House

(1) the reason for and the amount of Public Health Medicaid Reimbursement revenue that exceeds the amounts noted in section (a) above, and whether this additional revenue will continue in future years;

(2) a detailed explanation of the purpose(s) of the expenditure and whether the expenditure will be one-time or ongoing;

(3) the name of the strategy or strategies affected by the expenditure and the FTEs for each strategy by fiscal year;

(4) the impact of the expenditure on performance levels and, where relevant, a comparison to targets included in this Act for the affected strategy or strategies; and

(5) the impact of the expenditure on the capital budget.

d. **Requests to Transfer Additional Public Health Medicaid Reimbursements Funds.** To request a transfer pursuant to section (b-2) above, DSHS shall submit a written request to the Legislative Budget Board and the Governor. At the same time, the agency shall provide a copy of the request to the Comptroller of Public Accounts. The request shall include the following information:

(1) a detailed explanation of the purpose(s) of the transfer and whether the expenditure will be one-time or ongoing;

(2) the name of the originating and receiving strategies and the method of financing and FTEs for each strategy by fiscal year;

(3) an estimate of performance levels and, where relevant, a comparison to targets included in this Act for both the originating and the receiving strategies; and

(4) the capital budget impact.

Senate

(1) the reason for and the amount of Public Health Medicaid Reimbursement revenue that exceeds the amounts noted in section (a) above, and whether this additional revenue will continue in future years;

(2) a detailed explanation of the purpose(s) of the expenditure and whether the expenditure will be one-time or ongoing;

(3) the name of the strategy or strategies affected by the expenditure and the FTEs for each strategy by fiscal year;

(4) the impact of the expenditure on performance levels and, where relevant, a comparison to targets included in this Act for the affected strategy or strategies; and

(5) the impact of the expenditure on the capital budget.

d. **Requests to Transfer Additional Public Health Medicaid Reimbursements Funds.** To request a transfer pursuant to section (b-2) above, DSHS shall submit a written request to the Legislative Budget Board and the Governor. At the same time, the agency shall provide a copy of the request to the Comptroller of Public Accounts. The request shall include the following information:

(1) a detailed explanation of the purpose(s) of the transfer and whether the expenditure will be one-time or ongoing;

(2) the name of the originating and receiving strategies and the method of financing and FTEs for each strategy by fiscal year;

(3) an estimate of performance levels and, where relevant, a comparison to targets included in this Act for both the originating and the receiving strategies; and

(4) the capital budget impact.

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The requests pursuant to sections (c) and (d) shall be considered to be approved unless the Legislative Budget Board or the Governor issue a written disapproval within 30 business days of the date on which the staff of the Legislative Budget Board concludes its review of the proposal to expend the funds and forwards its review to the Chair of the House Appropriations Committee, Chair of the Senate Finance Committee, Speaker of the House, and Lieutenant Governor.	
Additional information requested by the Legislative Budget Board or the Governor should be provided in a timely manner. The request and information provided subsequently shall be prepared in a format specified by the Legislative Budget Board.	Additional information requested by the Legislative Budget Board or the Governor should be provided in a timely manner. The request and information provided subsequently shall be prepared in a format specified by the Legislative Budget Board.
The Comptroller of Public Accounts shall not allow the expenditure or transfer of funds authorized by any of the above subsections if the Legislative Budget Board provides notification to the Comptroller of Public Accounts that the requirements of this provision have not been satisfied.	The Comptroller of Public Accounts shall not allow the expenditure or transfer of funds authorized by any of the above subsections if the Legislative Budget Board provides notification to the Comptroller of Public Accounts that the requirements of this provision have not been satisfied.
	56. **Exemption from Limitation on Travel Expenditures.** The Department of State Health Services is authorized to conduct travel within 150 miles of the border between Texas and the contiguous states of the United States of America and the United Mexican States for the propose of protecting and promoting the public health of Texas residents and such travel is exempted from the provisions, referenced in Article IX of this Act as "Limitation on Travel Expenditures."
57. **Texas Cancer Registry.** Contingent on the enactment of legislation authorizing the Cancer Prevention and Research Institute of Texas to issue bonds on an as needed basis, the Department of State Health Services shall use $2,969,554 in fiscal year 2012 and $2,969,554 in fiscal year 2013 from an Interagency Contract (Other Funds) with the Cancer Prevention and Research Institute of Texas in Strategy A.1.2, Health Registries, Information, and Vital Records, for the purpose of maintaining the infrastructure of the cancer registry.	**59.** **Texas Cancer Registry.** Out of funds appropriated above in Strategy A.1.2, Health Registries, Information, and Vital Records, the Department of State Health Services shall use $2,969,554 in fiscal year 2012 and $2,969,554 in fiscal year 2013 from Interagency Contracts (Other Funds) with the Higher Education Coordinating Board and/or the Health-Related Institutions of Higher Education for the purpose of maintaining the infrastructure of the cancer registry.

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63. **Funding Reductions.** Appropriations made above to the Department of State Health Services reflect reductions of $14,179,601 in General Revenue Funds and $19,922,374 in Federal Funds ($34,101,975 in All Funds) in fiscal year 2012 and $6,595,849 in General Revenue Funds and $8,905,559 in Federal Funds ($15,501,408 in All Funds) in fiscal year 2013, for a 2012-13 total reduction of $20,775,450 in General Revenue Funds and $49,603,383 in All Funds.

The reductions described by this rider are the result of reduced availability of Federal Funds following the expiration of the enhanced Federal Medical Assistance Percentage ("FMAP") provisions contained in the American Recovery and Reinvestment Act of 2009.

65. **Request for Proposal to Privatize State Mental Health Hospitals.** Out of funds appropriated above in Strategy C.1.3, Mental Health State Hospitals, the Department of State Health Services (DSHS) is directed to develop a request for proposal (RFP) to privatize two state mental health hospitals by September 1, 2012.

a. DSHS shall prepare a plan to oversee the privatization of the hospitals that takes into account feedback from relevant internal and external stakeholders to the Governor and Legislative Budget Board by November 30, 2011. The report shall include, but not be limited to the following:

   (1) milestones for the privatization and a schedule of their implementation;

   (2) strategies to minimize adverse effects on hospital residents and staff; and

   (3) strategies to determine which hospitals to privatize.

b. DSHS shall submit status reports on the implementation of the RFP and privatization process on January 31, 2012, April 30, 2012, and July 31, 2013 to the Governor and Legislative Budget Board which shall include but not be limited to:

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(1) progress implementing privatization milestones and any revisions to the schedule of implementation;

(2) progress implementing strategies to minimize adverse effects of privatization on hospital residents and staff; and,

(3) identification of barriers DSHS is encountering in the privatization process.

In soliciting bids from private psychiatric hospital providers, DSHS shall assure that successful bidders will show evidence that they have experience operating inpatient psychiatric care facilities serving populations with acuity levels similar to the current state hospital population, at a cost at or below the prescribed savings described in this rider, in hospitals that are fully accredited by JCAHO (Joint Commission on Accreditation of Healthcare Organizations) and certified by Medicare.

If DSHS awards a private psychiatric hospital with a contract to operate one or more state hospitals, the term of that contract shall be for at least 4 years, and savings from the operation of the private psychiatric hospital shall be equal to at least $10 million per year in each year of the contract.

Before awarding a contract to a private psychiatric hospital provider, DSHS shall assure that the action will not result in the reduction of Disproportionate Share Hospital (DSH) payments currently received by the state.

68. **Food Manufacturers Licensing Report.** Beginning September 1, 2011, the Department of State Health Services (DSHS) shall request a report every six months of the food manufacturers who apply for a Sales Tax License and/or Franchise Tax License from the Comptroller of Public Accounts. DSHS shall reconcile the report with the manufacturers who apply for a Food Manufacturers License from DSHS. DSHS is to investigate the need for licensure of any manufacturer that is on the Comptroller's report and not in the DSHS database.

Senate

68. **Food Manufacturers Licensing Report.** Beginning September 1, 2011, the Department of State Health Services (DSHS) shall request a monthly report of the food manufacturers who apply for a Sales Tax License and/or Franchise Tax License from the Comptroller of Public Accounts. DSHS shall reconcile the report with the manufacturers who apply for a Food Manufacturers License from DSHS. DSHS is to investigate the need for licensure of any manufacturer that is on the Comptroller's report and not in the DSHS database.

House

71. **Expand Community-based Beds.** Out of funds appropriated above in Strategy B.2.3, Community Mental Health Crisis Services, the Department of State Health Services shall allocate $10 million in each fiscal year of the 2012-13 biennium in General Revenue Funds to incentivize local mental health authorities to expand the number of community-based hospital, respite, and step-down beds for individuals with mental illness.

72. **Consolidation of Laboratory Services.** The Department of State Health Services (DSHS) shall consolidate all of its laboratory services under Strategy A.4.1, Laboratory Services, and C.1.2, South Texas Health Care System, into DSHS Austin laboratory no later than December 1, 2011. Appropriations above reflect the biennial General Revenue Fund savings associated with the laboratory consolidation in the amounts of $4,038,974 from Strategy A.4.1. and $978,548 from Strategy C.1.2, which have been transferred to Strategy B.2.3, Community Mental Health Crisis Services.

Senate

69. **Reporting Requirements for Confirmed Acts of Abuse Committed by Licensed Professionals Employed in State Facilities.** The Department of State Health Services shall submit a report to the Legislative Budget Board and the Governor by May 15, 2012, that identifies gaps in their processes and policies for reporting licensed professionals who have committed confirmed acts of abuse, neglect, or exploitation while employed at a state facility. The report should also identify corrective steps taken to comply with statutory requirements for reporting nursing professionals and other licensed professionals who have committed confirmed acts of abuse, neglect, or exploitation to their respective professional licensing boards and identify the number of persons reported to each licensing board by fiscal year beginning in fiscal year 2012.

72. **Texas Center for Infectious Disease Services and Billing.** The Department of State Health Services shall pursue reimbursement, in cases where funding is available, from county governments for tuberculosis services provided to new county indigent patients served at TCID. Any appropriated receipts collected from county governments are hereby appropriated to DSHS in Strategy C.1.1, Texas Center for Infectious Disease.

House

Senate

73. **Federally Funded Capital Projects.** The Department of State Health Services is authorized to transfer from a non-capital budget item to an existing capital budget item or a new capital budget item not present in the agency's bill pattern contingent upon:

a. implementation of a new, unanticipated project that is 100 percent federally funded; or

b. the unanticipated expansion of an existing project that is 100 percent federally funded; and

c. notification to the State Auditor's Office and the Comptroller of Public Accounts, and approval from the Legislative Budget Board and Governor.

The request shall be considered to be approved unless the Legislative Budget Board or the Governor issue a written disapproval within 30 business days of the date on which the staff of the Legislative Budget Board concludes its review of the proposal to expend the funds and forwards its review to the Chair of the House Appropriations Committee, Chair of the Senate Finance Committee, Speaker of the House, and Lieutenant Governor.

74. **Billing and Collection of Department of Health Public Health Services Fee Account No. 524.** Out of funds appropriated above the Department of State Health Services (DSHS) shall publish an interim report to the Legislature addressing the corrective actions being undertaken with regards to the billing and collection of the Department of Health Public Health Services Fee Acct. No. 524. The report shall address the specific recommendations outlined in the report on the DSHS' Public Health Laboratories (Report No. 11-001) published by the State Auditor's Office in September 2010. This report shall be made available to the Legislature on or before July 1, 2012.

74. **Epilepsy Services.** Out of funds appropriated above, the Department of State Health Services (DSHS) shall allocate $936,850 in All Funds in fiscal year 2012 and $936,850 in All Funds in fiscal year 2013 for epilepsy services.

House

75. **Study of the State Mental Health System.** Out of funds appropriated above the Department of State Health Services (DSHS) shall contract with an independent entity not later than December 1, 2011, to review the state's public mental health system and make recommendations to improve access, service utilization, patient outcomes, and system efficiencies. The study shall review current service delivery models for outpatient and inpatient care, the funding levels, financing methodologies, services provided, and community-based alternatives to hospitalization. The review should look to other states for best practices or models that may be successful in Texas. DSHS shall submit the final report to the Legislative Budget Board, the Governor, Senate Health and Human Services Committee, and House Public Health Committee not later than September 1, 2012.

76. **Evaluate Security of Birth Records.** Out of funds appropriated above in Strategy A.1.2, Health Registries, Information, and Vital Records, and in order to protect Texas residents from identity theft and reduce fraud in vital records, the Department of State Health Services

Senate

75. **Local Service Area Planning.** Pursuant to Health and Safety Code §533.0352, the Department of State Health Services (DSHS) shall develop performance agreements with Local Mental Health Authorities (LMHAs) out of funds allocated in Strategies B.2.1, Mental Health Services for Adults, B.2.2, Mental Health Services for Children, and B.2.3, Community Mental Health Crisis Services, that give regard to priorities identified by the community through a local needs assessment process and expressed in a local service plan.

Subject to existing transfer authority in Article IX, Sec. 14.01, Appropriation Transfers, DSHS is granted flexibility to transfer funds between Strategies B.2.1, B.2.2, and B.2.3. in the approval of the local service plan. The performance agreements must include outcomes established in the General Appropriations Act for programs administered by the local authority and financed with General Revenue Funds. Performance related to outcomes must be verifiable by DSHS. Measures relating to outputs and units of service delivered, which may be included in the performance agreement, shall be recorded and submitted as required by DSHS.

House

(DSHS) shall establish a work group to evaluate the security of birth records. DSHS shall consult with, and include in the group, a representative of the Governor's Office, Department of Homeland Security, the Department of Public Safety, local registrars, the State Auditor's Office, the identity management solutions industry, and other government entities as necessary. The work group shall review the following:

a. evaluate the effectiveness and security of the state's birth record information system;

b. evaluate the feasibility of restructuring and upgrading the birth record information system and documents with advanced technology to prevent fraud and reduce inefficiency;

c. identify the roles and responsibilities of the department, local governments, and others in a central issuance birth record information system; and

d. identify ways to leverage private sector investment and user fees to restructure and upgrade the birth record information system and documents without the use of General Revenue Funds.

Not later than September 1, 2012, DSHS shall submit to the Governor, the Lieutenant Governor, the Speaker of the House of Representatives, and the appropriate standing committees of the Legislature a report regarding the results of the study and recommendations for legislation for the Regular Session of the Eighty-third Legislature, along with recommendations for changes to the Texas Administrative Code needed to implement a recommended birth record information system and more secure document.

Senate

76. End Stage Renal Disease Prevention Program. Out of funds appropriated above in Strategy A.3.1, Health Promotion and Chronic Disease Prevention, the Department of State Health Services shall allocate $100,000 in General Revenue for fiscal year 2012 and $100,000 in General Revenue for fiscal year 2013 to reduce the health and economic burdens of chronic kidney disease end-stage renal disease through the End Stage Renal Disease Prevention Program model, Love Your Kidneys. The program shall work in collaboration with the Texas Renal Coalition and the State Chronic Kidney Disease Task Force to educate the medical

House

77. **Purchase of Pandemic Flu Vaccines.** Out of funds appropriated above, the Department of State Health Services (DSHS) shall examine the latest generation of cell culture-derived pandemic flu vaccine. DSHS is strongly encouraged to consider purchasing the latest generation of cell culture-derived pandemic flu vaccine that is available out of state, federal, or other funds.

78. **Comprehensive Suicide Prevention Program.** The Department of State Health Services, in coordination with the Texas Education Agency, shall develop a comprehensive suicide prevention program for implementation in public junior, middle, and high schools. The program must include components that provide for training counselors, teachers, nurses, administrators, and other staff, as well as law enforcement officers and social workers who regularly interact with students to:

a. recognize students at risk of committing suicide, including students who are or may be the victims of discrimination or harassment; or

b. intervene effectively with those students by providing all appropriate assistance, including referrals for mental health services.

In developing the program, the department and the Texas Education Agency may consider any existing suicide prevention method developed by a school district. The department shall also submit a report to the legislature relating to the development and implementation of the suicide prevention program.

Senate

community and at-risk patients on the importance of early diagnosis and treatment of chronic kidney disease to prevent premature death from cardiovascular disease and other co-morbid conditions, and to delay progression to kidney failure necessitating expensive renal replacement therapy by dialysis or transplantation.

78. **Appropriation of General Obligation Bond Proceeds for Critical Repairs to the Moreton Building.** Appropriated above in Strategy F.1.2, Repair and Renovation: MH Facilities, in fiscal year 2012 is $20,000,000 in general obligation bond proceeds for critical repairs to the

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	Moreton Building as described in Article IX, Section 18.01, Informational Listing General Obligation Bond Proceeds. All projects funded herein with general obligation bond proceeds are subject to approval by the Legislative Budget Board prior to issuance of the bond proceeds by the Texas Public Finance Authority. Any unexpended and unobligated balances in general obligation bond proceeds described herein and remaining as of August 31, 2012 are hereby appropriated for the fiscal year beginning September 1, 2012 for the same purpose.
80. Contingency: Office of the State Medical Examiner. Contingent upon the enactment of legislation which creates an Office of the State Medical Examiner or similar office within the Department of State Health Services (DSHS), and in addition to amounts appropriated above, any monies associated with the fees associated with the legislation, funds previously allocated to the Texas Forensic Science Commission, and funds previously appropriated to the Department of Public Safety for forensic laboratory certification are hereby appropriated to DSHS for the 2012-13 biennium to cover direct and indirect costs associated with the duties of the Office of the State Medical Examiner.	
81. Available Earnings from the Permanent Fund for Health and Tobacco Education and Enforcement in Excess of the Biennial Revenue Estimate. If the total of available earnings, as determined under Government Code §403.1068, of the Permanent Fund for Health and Tobacco Education and Enforcement exceeds the amount projected by the Comptroller of Public Accounts as eligible for distribution in a fiscal year in the 2012-2013 fiscal biennium, that amount is appropriated for the appropriate fiscal year to the Department of State Health Services from the Permanent Fund for Health and Tobacco Education and Enforcement Account No. 5044 for the purposes of supplementing amounts appropriated under Strategy B.2.6, Reduce Use of Tobacco, and supporting programs established under Government Code §403.105(c). This appropriation may not exceed a total of $20,000,000 for the fiscal biennium.	

House	Senate
82. Contingency: Maternal Mortality Review Board. Contingent upon the passage of House Bill 1133 or similar legislation, the Department of State Health Services shall create a review board to study maternal mortality and severe maternal morbidity.	
83. Contingency: Expand Physician Trauma Fellowship Slots. Contingent on passage of HB____, $6,000,000 is appropriated to the Department of State Health Services (DSHS) in the 2012-13 biennium out of General Revenue-Dedicated Account 5111, Designated Trauma Facility and EMS, to fund the expansion of physician and nursing trauma fellowships by DSHS.	
84. Mental Health Community and Forensic Hospitals. Out of funds appropriated in Strategy C.2.1, Mental Health Community Hospitals, the Department of State Health Services (DSHS) shall maintain funding of the current contracted beds at Galveston Community Hospital, University of Texas Harris County Psychiatric Center, Lubbock Community Hospital, the forensic psychiatric facility located in Montgomery County, and the Kerrville Hill Country MHMR Crisis Stabilization Unit . DSHS shall maintain current bed capacity by proportionally applying any reductions in funding based on fiscal year 2010-11 expenditures for these facilities.	
85. Community Hospital Funding for Galveston Community Hospital. Out of funds appropriated above, the Department of State Health Services shall allocate $380,000 in General Revenue for fiscal year 2012 and $380,000 in General Revenue for fiscal year 2013 for the Galveston Community Hospital, specifically for the purpose of providing outpatient medication services.	
86. Family Planning Service Providers. Out of funds appropriated in Strategy B.1.3, Family Planning Services, the department shall award family planning grants based on the following levels of priority. a. Public entities that provide family planning services. These providers should be considered the first priority of this funding. These providers include state, county, and	**73. Family Planning Services.** Department of State Health Services shall allocate funds appropriated above in Strategy B.1.3, Family Planning Services using a methodology that prioritizes distribution and reallocation to first award public entities that provide family planning services, including state, county, local community health clinics, Federally Qualified Health Centers, and clinics under the Baylor College of Medicine; secondly, non-public entities that provide comprehensive primary and preventative care as a part of their family planning

House

local community health clinics.

b. Non-public entities that provide comprehensive primary and preventive care in addition to family planning services. These providers are eligible for funding after public entities have been awarded grants above.

c. Non-public entities that provide family planning services but do not provide comprehensive primary and preventive care. These providers are eligible after non-public entities that provide comprehensive primary and preventive care have been awarded grants above.

87. **Contingent Appropriation: Permanent Fund for Health and Tobacco Education and Enforcement.** Contingent on the enactment by the Eighty-second Legislature, Regular Session, 2011, of legislation that authorizes the Legislature to appropriate amounts from the corpus of the Permanent Fund for Health and Tobacco Education and Enforcement and on appropriations being made pursuant to that authorization, an additional sum equal to 10 percent of the amount otherwise appropriated by this Act from the corpus of that fund is appropriated from the fund for the appropriate fiscal year for which the other appropriations from the corpus are made, to the Department of State Health Services for the purposes of supplementing amounts appropriated under Strategy B.2.6, Reduce Use of Tobacco Products, and supporting programs established under Government Code §403.105(c). This appropriation may not exceed a total of $20,000,000 for the fiscal biennium.

88. **Data Collection on the Incidence of Health Care-Associated Infections.** It is the intent of the Legislature that the Department of State Health Services use funds appropriated for the Texas Health Care-Associated Infection Reporting System to expand the reporting to accommodate information relating to infections resulting in the death of the patient.

89. **Outpatient Competency Restoration Pilot Programs.** Out of the funds appropriated above in Strategy B.2.3, Community Mental Health Crisis Services, the Department of State Health Services shall allocate out of the General Revenue Fund $4,000,000 for the state fiscal year

Senate

services; and thirdly, non-public entities that provide family planning services but do not provide comprehensive primary and preventative care. The Department shall in compliance with federal law ensure the distribution and allocation methodology for funds in Strategy B.1.3 does not severely limit or eliminate access to services to any region.

Out of funds appropriated above in Strategy B.1.3, Family Planning Services, up to $1,000,000 per year may be allocated to clinics for core family planning services provided under the auspices of Baylor College of Medicine.

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ending August 31, 2012, and $4,000,000 for the state fiscal year ending August 31, 2013, to support outpatient competency restoration pilot programs. It is the intent of the Legislature that the department use the money to fund four existing pilot programs in Travis, Bexar, Tarrant, and Dallas Counties and to fund the development of five additional pilot programs.	

House

2. Capital Budget. None of the funds appropriated above may be expended for capital budget items except as listed below. The amounts shown below shall be expended only for the purposes shown and are not available for expenditure for other purposes. Amounts appropriated above and identified in the provision as appropriations either for "Lease Payments to the Master Equipment Purchase Program" or for items with an "(MLPP)" notation shall be expended only for the purpose of making lease-purchase payments to the Texas Public Finance Authority pursuant to the provisions of Government Code § 1232.103.

	2012	2013
a. Acquisition of Information Resource Technologies		
(1) Data Center Consolidation	$ 44,194,961	$ 26,383,053
(2) Seat Management Services (PCs, Laptops, & Servers)	11,698,298	11,718,756
(3) Compliance with Federal HIPAA (Health Insurance Portability and Accountability Act) Regulations	4,635,366	0
(4) Enterprise Telecom Management Services	12,438,387	12,391,063
(5) Enterprise Info & Asset Mgt (Data Warehouse)	11,906,354	12,095,609
(6) Texas Integrated Eligibility Redesign System	68,426,440	53,294,645
(7) Medicaid Eligibility and Health Information	$ 7,558,449	$ 7,175,391
Total, Acquisition of Information Resource Technologies	$ 160,858,255	$ 123,058,517
b. Other Lease Payments to the Master Lease Purchase Program (MLPP)		
(1) TIERS Lease Payments to Master Lease Program	$ 2,119,499	$ 2,102,175

Senate

2. Capital Budget. None of the funds appropriated above may be expended for capital budget items except as listed below. The amounts shown below shall be expended only for the purposes shown and are not available for expenditure for other purposes. Amounts appropriated above and identified in the provision as appropriations either for "Lease Payments to the Master Equipment Purchase Program" or for items with an "(MLPP)" notation shall be expended only for the purpose of making lease-purchase payments to the Texas Public Finance Authority pursuant to the provisions of Government Code § 1232.103.

	2012	2013
a. Acquisition of Information Resource Technologies		
(1) Data Center Consolidation	$ 44,194,961	$ 26,383,053
(2) Seat Management Services (PCs, Laptops, & Servers)	11,698,298	11,718,756
(3) Compliance with Federal HIPAA (Health Insurance Portability and Accountability Act) Regulations	4,635,366	0
(4) Enterprise Telecom Management Services	12,438,387	12,391,063
(5) Enterprise Info & Asset Mgt (Data Warehouse)	11,906,354	12,095,609
(6) Texas Integrated Eligibility Redesign System	68,426,440	53,294,645
(7) Medicaid Eligibility and Health Information	7,558,449	7,175,391
(8) Technology Support for State Hospital & State Living Centers	4,930,800	1,150,800
(9) Improve Security for IT Systems	$ 2,484,250	$ 3,040,461
Total, Acquisition of Information Resource Technologies	$ 168,273,305	$ 127,249,778
b. Other Lease Payments to the Master Lease Purchase Program (MLPP)		
(1) TIERS Lease Payments to Master Lease Program	$ 2,119,499	$ 2,102,175

	House		Senate	
Total, Capital Budget	$ 162,977,754	$ 125,160,692	$ 170,392,804	$ 129,351,953
Method of Financing (Capital Budget):				
General Revenue Fund				
General Revenue Fund	$ 2,452,729	$ 2,387,384	$ 2,456,207	$ 2,391,641
GR Match for Medicaid	27,412,066	20,601,146	27,535,504	20,752,227
GR Match for Title XXI (CHIP)	1,435,425	1,122,706	1,436,916	1,124,530
GR Match for Food Stamp Administration	26,577,263	17,815,135	26,721,897	17,992,151
Subtotal, General Revenue Fund	$ 57,877,483	$ 41,926,371	$ 58,150,524	$ 42,260,549
Federal Funds	84,173,099	64,645,785	84,471,187	65,010,610
Interagency Contracts	20,927,172	18,588,536	27,771,093	22,080,794
Total, Method of Financing	$ 162,977,754	$ 125,160,692	$ 170,392,804	$ 129,351,953

40. **Payments to Hospital Providers.** Until the Health and Human Services Commission (HHSC) implements a new inpatient reimbursement system for Fee-for-Service (FFS) and Primary Care Case Management (PCCM) or managed care, including but not limited to health maintenance organizations (HMO) inpatient services, hospitals that meet one of the following criteria: 1) located in a county with 50,000 or fewer persons according to the U.S. Census, or 2) is a Medicare-designated Rural Referral Center (RRC) or Sole Community Hospital (SCH), that are not located in a metropolitan statistical area (MSA) as defined by the U.S. Office of Management and Budget, or 3) is a Medicare-designated Critical Access Hospital (CAH), shall be reimbursed based on the cost-reimbursement methodology authorized by the Tax Equity and Fiscal Responsibility Act of 1982 (TEFRA) using the most recent data. Hospitals that meet the above criteria, based on the 2000 decennial census will be eligible for TEFRA reimbursement for patients enrolled in FFS and PCCM. For patients enrolled in managed care, including but not limited to health maintenance organizations (HMO), inpatient services provided at hospitals meeting the above criteria will be reimbursed based on, at a minimum, the Medicaid

40. **Payments to Hospital Providers.** Until the Health and Human Services Commission (HHSC) implements a new inpatient reimbursement system for Fee-for-Service (FFS) and Primary Care Case Management (PCCM) or managed care, including but not limited to health maintenance organizations (HMO) inpatient services, hospitals that meet one of the following criteria: 1) located in a county with 50,000 or fewer persons according to the U.S. Census, or 2) is a Medicare-designated Rural Referral Center (RRC) or Sole Community Hospital (SCH), that is not located in a metropolitan statistical area (MSA) as defined by the U.S. Office of Management and Budget, or 3) is a Medicare-designated Critical Access Hospital (CAH), shall be reimbursed based on the cost-reimbursement methodology authorized by the Tax Equity and Fiscal Responsibility Act of 1982 (TEFRA) using the most recent data. Hospitals that meet the above criteria, based on the 2000 decennial census, will be eligible for TEFRA reimbursement without the imposition of the TEFRA cap for patients enrolled in FFS and PCCM. For patients enrolled in managed care other than PCCM, including but not limited to health maintenance organizations (HMO), inpatient services provided at hospitals meeting the above criteria will

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reimbursement calculated using the most recent FFS rebased full cost Standard Dollar Amount for the biennium.	be reimbursed at the Medicaid reimbursement calculated using each hospital's most recent FFS rebased full cost Standard Dollar Amount for the biennium.
46. **Local Reporting on UPL and DSH.** Out of funds appropriated above, and as the state Medicaid operating agency, the Health and Human Services Commission shall develop a report that non-state public hospitals and private hospitals shall use to describe any expenditures they make through the Upper Payment Limit (UPL) program and the Disproportionate Share Hospital (DSH) program. The commission shall determine the format of the report, which must include expenditures by method of finance per year. In addition, the commission annually shall require hospital providers who receive DSH or UPL funds to report payments to entities who provide consultative services regarding revenue maximization under the medical assistance program and any other governmentally funded program, including UPL and DSH. Information included in the reports of payments to entities providing consultative services from hospitals shall include:	**46.** **Local Reporting on UPL, DSH and Indigent Care Expenditures.** Out of funds appropriated above, and as the state Medicaid operating agency, the Health and Human Services Commission shall develop a report that non-state public hospitals, private hospitals, hospital districts, physicians and private administrators shall use to describe any expenditures they make through the Upper Payment Limit (UPL) program, the Disproportionate Share Hospital (DSH) program, and the Indigent Care program. The commission shall determine the format of the report, which must include expenditures by method of finance per year. In addition, the commission annually shall require contracted hospital providers to report payments to entities who provide consultative services regarding revenue maximization under the medical assistance program and any other governmentally funded program, including UPL and DSH. Information included in the reports of payments to entities providing consultative services from contracted hospitals shall include:
a. the total amount of aggregated payments to all such entities by county;	a. the total amount of aggregated payments to all such entities by county;
b. the purpose of the payment(s);	b. the purpose of the payment(s);
c. the source of the payment(s);	c. the source of the payment(s);
d. the program for which consultative services were provided; and	d. the program for which consultative services were provided; and
e. any other information the commission believes pertinent.	e. any other information the commission believes pertinent.
50. **Bundled Payments in the Medicaid Program.** Out of funds appropriated above, the Health and Human Services shall implement bundled payments in the Medicaid program by September 1, 2012.	
a. The executive commissioner shall select high-cost and/or high-volume services to bundle	

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and should consider the experiences of other payers and other state of Texas programs that purchase healthcare services in making the selection. It is the intent of the Legislature that in setting the rate for the bundle, HHSC would ensure the rate is lower than the sum of the rates currently paid for each service to be included in the bundle.

b. HHSC shall implement a shared savings component to the bundling program. Providers would be eligible to receive a portion of savings if they meet certain cost and quality standards as established by HHSC.

c. HHSC shall provide an implementation plan to the Legislative Budget Board and the Governor by March 1, 2012.

d. HHSC shall report on the cost and quality outcomes of implementation to the Legislative Budget Board and the Governor by March 1, 2013.

57. **Medicaid Emergency Room Use.** Out of funds appropriated above in Goal B, Medicaid, the Health and Human Services Commission shall take steps to reduce non-emergent use of the emergency room in the Medicaid program. These steps shall include:

a. evaluating whether the cost of the physician incentive programs implemented by the health maintenance organizations participating in the Medicaid STAR and STAR+PLUS managed care programs has been offset by reduced use of the emergency room;

b. determining the feasibility of amending the Texas Medicaid State Plan to permit freestanding urgent care centers to enroll as clinic providers; and

c. using financial incentives and disincentives to encourage the health maintenance organizations participating in the Medicaid STAR and STAR+PLUS managed care programs to reduce non-emergent use of the emergency room among their clients. Financial incentives and disincentives may include adding a performance indicator that

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56. **Improving Medicaid Quality of Care Outcomes and Reducing Non-emergent Emergency Room Use.** Out of funds appropriated above in Goal B, Medicaid, the Health and Human Services Commission shall take steps to improve quality of care outcomes and to reduce non-emergent use of the emergency room in the Medicaid program. These steps shall include:

a. evaluating whether the cost of the physician incentive programs implemented by the health maintenance organizations participating in the Medicaid STAR and STAR+PLUS managed care programs has been offset by reduced use of the emergency room;

b. determining the feasibility of amending the Texas Medicaid State Plan to permit freestanding urgent care centers to enroll as clinic providers; and

c. using financial incentives and disincentives to encourage the health maintenance organizations participating in the Medicaid STAR and STAR+PLUS managed care programs to reduce non-emergent use of the emergency room among their clients. Financial incentives and disincentives may include adding a performance indicator that

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measures non-emergent use of the emergency room to the performance measures for the one percent at-risk premium and the performance measures used to evaluate health maintenance organization performance for purposes of distributing funds under the Quality Challenge Award program.	measures non-emergent use of the emergency room to the performance measures for the percentage of the premium that is at-risk and the performance measures used to evaluate health maintenance organization performance for purposes of distributing funds under the Quality Challenge Award program. d. collecting quality of care and consumer satisfaction data for all Medicaid managed care services, including community-based long term care services and for all managed care individuals, including individuals eligible for both Medicaid and Medicare. e. reviewing the health plans' criteria for the assignment of STAR+PLUS service coordinators, including criteria related to individuals with comprehensive community care needs and those with significant chronic health conditions that require active service coordination and disease management. f. developing a system to provide STAR+PLUS consumers with health plan performance information to help them make an informed choice between health plans in their area, prior to enrollment. This consumer information may include a health plan "report card" system or other consumer-friendly information on health plan performance with respect to network size, service coordination, and disease management performance.
The Department shall submit a report on steps taken to reduce non-emergent use of the emergency room in the Medicaid program, including findings on the evaluation of the physician incentive programs and the urgent care center feasibility analysis, to the Legislative Budget Board and the Governor by August 31, 2012.	The commission shall submit a report on steps taken to improve quality of care outcomes and to reduce non-emergent use of the emergency room in the Medicaid program, including findings on the evaluation of the physician incentive programs and the urgent care center feasibility analysis, to the Legislative Budget Board and the Governor by August 31, 2012.
58. Oversight of State Supported Living Center Closure. The Health and Human Services Commission shall certify the savings associated with the closure of the _____ State Supported Living Center and document the resulting changes in personnel and transfers of appropriations at all relevant health and human services agencies, and submit a report containing this information to the Governor and Legislative Budget Board by August 31, 2013.	

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59. **Finger Imaging Contract.** Included in appropriations above in Strategy B.1.4, Children and Medically Needy, is a reduction of $2,800,000 in General Revenue funding for the elimination of a finger imaging contract, contingent upon the enactment of House Bill 710 or similar legislation. It is not the intent of the Legislature to prohibit the use of biometrics in this or any health and human services program.	**57.** **Finger Imaging Contract.** Included in appropriations above in Strategy B.1.4, Children and Medically Needy, is a reduction of $2,800,000 in General Revenue Funds for the elimination of a finger imaging contract, contingent upon the enactment of Senate Bill 23 or similar legislation.
	59. **Contingency for Senate Bill 7 or Senate Bill 8.** From funds appropriated above and contingent upon enactment of Senate Bill 7 and Senate Bill 8 or similar legislation, the Health and Human Services Commission is directed to: a. implement quality-based payment reform, in which providers are paid for quality based outcomes, prevention, wellness, quality of care, collaboration, and outcomes, including global payments to accountable care organizations, rather than quantity of care, b. implement a more efficient, accountable, and sustainable Medicaid program by obtaining greater federal flexibility, and c. work with the federal government to develop a more equitable and stable Federal Medical Assistance Percentage (FMAP) rate or a state Medicaid block grant waiver that ensures Texas receives its fair share of federal matching funding. The commission shall report progress related to each of these provisions on a quarterly basis to the Legislative Budget Board and the Governor's Office of Budget, Planning, and Policy. Notwithstanding any other provision of this Act, the Legislature directs that no additional appropriations from any source and no fund transfers between items of appropriation are authorized for the Health and Human Services Commission unless the Governor, Lieutenant Governor, and Speaker of the House determine in writing that satisfactory progress has occurred toward these initiatives at the time that a request for additional appropriations or fund transfer is made.

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60. Funding Reductions. Appropriations made above to the Health and Human Services Commission reflect reductions of $2,081,102,203 in General Revenue Funds and $2,770,378,665 in Federal Funds ($4,851,480,868 in All Funds) in fiscal year 2012 and $1,226,337,977 in General Revenue Funds and $1,568,042,755 in Federal Funds ($2,794,380,732 in All Funds) in fiscal year 2013, for a 2012-13 total reduction of $3,307,440,180 in General Revenue Funds and $4,338,421,420 in Federal Funds ($7,645,861,600 in All Funds).

The reductions described by this rider are the result of reduced availability of Federal Funds following the expiration of the enhanced Federal Medical Assistance Percentage ("FMAP") provisions contained in the American Recovery and Reinvestment Act of 2009.

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Furthermore, it is the intent of the Legislature that no General Revenue Funds are provided above to replace a reduction of funding due to a lower federal match rate until satisfactory progress with these provisions is certified. If these policy changes are not sufficient for maintaining Medicaid services based upon General Revenue Funds appropriated above, the Health and Human Services Commission shall submit a plan to reduce the costs of Medicaid through additional rate reductions or other costs savings proposals.

60. Federal Flexibility. Included in appropriations above to the Health and Human Services Commission (HHSC) in Strategy B.1.4, Children and Medically Needy, is a reduction of $700,000,000 in General Revenue Funds and $1,666,666,667 in Federal Funds in fiscal year 2013 related to containing cost growth in the Texas Medicaid and Children's Health Insurance Program (CHIP) programs. It is the intent of the Legislature that, if necessary, HHSC seeks federal approval for waiver(s) that would permit the following:

a. that the state of Texas have greater flexibility in standards and levels of eligibility in Medicaid and CHIP programs;

b. that the state of Texas design and implement benefit packages that target the specific health needs and reflect the geographic and demographic needs of Texas;

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c. that the state of Texas Medicaid and CHIP programs foster a culture of individual responsibility through the appropriate use of co-payments;

d. that the state of Texas consolidate funding streams to increase accountability, transparency, and efficiency (consolidated funding streams should be considered for both hospital and long term care);

e. that the federal government assume financial responsibility for 100 percent of the health care services provided to unauthorized immigrants; and

f. that existing state and local expenditures be utilized to maximize federal matching funds.

61. **Upper Payment Limit Reimbursement for Children's Hospitals.** Included in appropriations above to the Health and Human Services Commission (HHSC) in strategy B.2.5, Upper Payment Limit, is $5,000,000 in General Revenue Funds for fiscal years 2012-13. HHSC is authorized to provide the state match from funds appropriated to this strategy for a children's hospital participating in the Upper Payment Limit (UPL) reimbursement program based upon the following criteria:

a. The children's hospital shall formally request that HHSC provide the state match. The request should include documentation of the efforts taken by the hospital to participate in the private hospital UPL program, a description of the financial impact to the hospital for the loss of this revenue source, and any impact to the local community.

b. HHSC shall analyze the children's hospital request and determine if there is a critical need to provide state matching funds for UPL reimbursement to that children's hospital.

c. Upon a determination of critical need, HHSC shall notify the Legislative Budget Board and the Governor of the projected state expenditure for the UPL reimbursement to that children's hospital for that fiscal year.

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	HHSC shall not expend more than $5,000,000 in General Revenue Funds for the purpose of providing the state match for the children's hospital UPL program for the biennium beginning September 1, 2011. In the event that HHSC determines the children's hospital has not made the appropriate effort to participate in a private hospital UPL, or that there is not a critical need for the UPL reimbursements, HHSC shall provide notification to the Legislative Budget Board and the Governor of its intent to transfer the General Revenue Funds to another Medicaid strategy in Goal B, for the purposes of matching the funding with federal funds and providing Medicaid client services. This transfer notification should follow the written notification direction provided in subsection (b) of Rider 12, Transfers: Authority and Limitations.
61. Medicaid Funding Reduction. a. Included in appropriations above in Strategy B.1.4, Children and Medically Needy, is a reduction of $225,000,000 in General Revenue Funds in fiscal year 2012 and $225,000,000 in General Revenue Funds in fiscal year 2013, a biennial total of $450,000,000 in General Revenue Funds. HHSC is authorized to transfer these reductions between fiscal years and to allocate these reductions among health and human services agencies as listed in Chapter 531, Government Code, pursuant to the notification requirements included in Subsection (c) of this rider. b. This reduction shall be achieved through the implementation of the plan described under subsection (c) which may include any or all of the following initiatives: (1) Implementing payment reform and quality based payments in fee for service and managed care, (2) Increasing neonatal intensive care management,	**58. Medicaid Funding Reduction.** a. Included in appropriations above in Strategy B.1.4, Children and Medically Needy, is a reduction of $225,000,000 in General Revenue Funds in fiscal year 2012 and $225,000,000 in General Revenue Funds in fiscal year 2013, a biennial total of $450,000,000 in General Revenue Funds. The Health and Human Services Commission (HHSC) is authorized to transfer these reductions between fiscal years and to allocate these reductions among health and human services agencies as listed in Chapter 531, Government Code, pursuant to the notification requirements included in Subsection (c) of this rider. b. This reduction shall be achieved through the implementation of the plan described under subsection (c) which may include any or all of the following initiatives: (1) Implementing payment reform and quality based payments in fee for service and managed care, (2) Increasing neonatal intensive care management,

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(3) Aligning hospital rates in managed care closer to fee for service rates,	(3) Aligning hospital rates in managed care closer to fee for service rates,
(4) Transitioning outpatient Medicaid payments to a fee schedule,	(4) Transitioning outpatient Medicaid payments to a fee schedule,
(5) Developing more appropriate emergency department hospital rates for nonemergency related visits,	(5) Developing more appropriate emergency department hospital rates for nonemergency related visits,
(6) Maximizing co-payments in all Medicaid and Non Medicaid programs,	(6) Maximizing co-payments in all Medicaid and Non Medicaid programs,
(7) Maximizing federal matching funds through a Medicaid waiver,	(7) Maximizing federal matching funds through a statewide transportation broker or a Medicaid waiver,
(8) Reducing costs for durable medical equipment and laboratory services through rate reductions, utilization management and consolidation,	(8) Reducing costs for durable medical equipment and laboratory services through rate reductions, utilization management and consolidation,
(9) Increasing nursing home utilization management and increasing reviews for appropriate RUGS levels,	(9) Increasing nursing home utilization management and increasing reviews for appropriate RUGS levels,
(10) Statewide monitoring of home care services in Medicaid fee for service and managed care programs, and other programs and services as deemed appropriate by the commission, where cost savings and/or reductions in fraud, abuse, and waste can be achieved through the use of telephony/electronic visit verification integrated with service authorization and claims payments,	(10) Statewide monitoring of community care through telephony in Medicaid fee for service and managed care,
(11) Expanding billing coordination to all non-Medicaid programs,	(11) Increasing utilization of over-the-counter medicines,
(12) Renegotiating more efficient contracts, and	(12) Equalizing the prescription drug benefit statewide,
(13) Allowing group billing for up to 3 children at one time in a foster care or home setting who receive private duty nursing services,	(13) Achieving more competitive drug ingredient pricing,

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(14) Developing more appropriate community-based alternatives program rates that reflect a ratio to actual costs incurred,

(15) Additional initiatives identified by the Health and Human Services Commission.

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(14) Increasing generic prescription drug utilization,

(15) Improving birth outcomes by reducing birth trauma and elective inductions,

(16) Increasing competition and incentivizing quality outcomes through a statewide Standard Dollar Amount and applying an administrative cap,

(17) Establishing a capitated rate to cover wrap around services for individuals enrolled in a Medicare Advantage Plan,

(18) Improving care coordination for Children with Disabilities in managed care,

(19) Automatically enrolling clients into managed care plans,

(20) Restricting payment of out-of-State Services to the Medicaid rate and only our border regions,

(21) Increasing utilization management for provider-administered drugs,

(22) Implementing the Medicare billing prohibition,

(23) Increasing the assessment time line for private duty nursing,

(24) Maximizing federal match for services currently paid for with 100 percent general revenue,

(25) Adjusting amount, scope and duration for services,

(26) Increasing fraud, waste and abuse detection and claims,

(27) Paying more appropriately for outliers,

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c. HHSC shall develop a plan to allocate the reductions required by Subsection (a) of this rider by taking actions such as those suggested under Subsection (b) of this rider to the budgets of the health and human services agencies as listed in Chapter 531, Government Code. The plan shall include reduction amounts by strategy and fiscal year and shall be submitted in writing before December 1, 2011, to the Legislative Budget Board, the Governor, and the Comptroller of Public Accounts. The plan must be submitted in a format specified by the Legislative Budget Board.

62. Contingency for Medicaid Women's Health Program. Contingent on the enactment of House Bill 1138 or Senate Bill 575, or similar legislation relating to continuing and expanding the Medicaid Women's Health Program, by the Eighty-second Legislature, funding in Strategy B.1.3, Pregnant Women, is reduced by $495,875 in General Revenue Funds in fiscal year 2012 and $2,029,772 in General Revenue Funds in fiscal year 2013, and funding in Strategy B.1.4, Children and Medically Needy, is reduced by $101,361 in General Revenue Funds in fiscal year 2012 and $1,867,070 in General Revenue Funds in fiscal year 2013. Also contingent on the enactment of this legislation, General Revenue Funds in Strategy B.2.4, Medicaid Family Planning, are increased by $216,618 in fiscal year 2012 and $433,235 in fiscal year 2013.

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(28) Expanding billing coordination to all non-Medicaid programs,

(29) Renegotiating more efficient contracts, and

(30) Additional initiatives identified by the Health and Human Services Commission.

c. HHSC shall develop a plan to allocate the reductions required by Subsection (a) of this rider by taking actions such as those suggested under Subsection (b) of this rider to the budgets of the health and human services agencies as listed in Chapter 531, Government Code. The plan shall include reduction amounts by strategy and fiscal year and shall be submitted in writing before December 1, 2011 to the Legislative Budget Board, the Governor, and the Comptroller of Public Accounts. The plan must be submitted in a format specified by the Legislative Budget Board.

62. Client Assessment for Acute Nursing Services in Medicaid. Out of funds appropriated above to the Health and Human Services Commission (HHSC) in Goal B, Medicaid, the commission shall develop an objective assessment process to assess Medicaid clients' needs for acute nursing services, including home health skilled nursing, home health aide services, and private duty nursing. HHSC shall use the appropriated funds to pay an employee or a contractor independent of the service provider to conduct these assessments.

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The assessment process must include an assessment of specific criteria documented on a standard form and any documents required for prior authorization of nursing services. HHSC shall implement this assessment process within Medicaid fee-for-service, primary care case management; and STAR and STAR+PLUS Medicaid managed care programs.

HHSC shall consider the feasibility and benefit of implementing a similar process for therapy services.

63. **Quality-Based Payment and Delivery Reforms in the Medicaid and Children's Health Insurance Programs.** Out of funds appropriated to the Health and Human Services Commission (HHSC) in Goal B, Medicaid, and Goal C, Children's Health Insurance Program, HHSC may implement the following quality-based reforms in the Medicaid and CHIP programs:

a. develop quality-based outcome and process measures that promote the provision of efficient, quality health care and that can be used to implement quality-based payments for acute and long-term care services across delivery models and payment systems;

b. implement quality-based payment systems for compensating a health care provider or facility participating in the Medicaid and CHIP programs;

c. implement quality-based payment initiatives to reduce potentially preventable readmissions and potentially preventable complications; and

d. implement a bundled payment initiative in the Medicaid program, including a shared savings component for providers that meet quality-based outcomes. The executive commissioner may select high-cost and/or high-volume services to bundle and may consider the experiences of other payers and other state of Texas programs that purchase healthcare services in making the selection.

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	Required Reporting: The Commission shall provide annual reports to the Governor's Office of Budget, Planning, and Policy and Legislative Budget Board on December 1, 2011 and December 1, 2012 that include (1) the quality-based outcome and process measures developed; (2) the progress of the implementation of quality-based payment systems and other related initiatives; (3) outcome and process measures by health service region; and (4) cost-effectiveness of quality-based payment systems and other related initiatives.
63. **Office for the Prevention of Developmental Disabilities.** The Health and Human Services Commission shall expend, from funds otherwise appropriated to the commission by this Act, an amount not to exceed $111,805 each fiscal year for salaries, benefits, travel expenses, and other support of the Office for Prevention of Developmental Disabilities. However, grants and donations received through the authority provided by Article IX Sec. 8.01, Acceptance of Gifts of Money, are not subject to this limit and may be expended by the Office.	
64. **Office of Acquired Brain Injury.** Out of funds appropriated above in strategy A.1.1, Enterprise Oversight and Policy, the Health and Human Services Commission shall use General Revenue Funds in the amount equal to 50 percent of the federal grant amount out of CFDA 93.234 in each fiscal year of the biennium for the purposes of funding the Office of Acquired Brain Injury in order to assess and serve youth in the Texas juvenile justice system with brain injury and other projects including brain injured veterans.	
	64. **Statewide Hospital Average SDA.** Out of funds appropriated above in Goal B, Medicaid, the Health and Human Services Commission (HHSC) shall rebase hospital rates using a methodology based on a statewide average standard dollar amount (SDA) by September 1, 2011. The commission may consider high cost hospital functions and services, including regional differences, when developing the rate methodology. Included in appropriations above in Goal B, Medicaid, is a reduction of $30,900,000 in General Revenue Funds for the implementation of a statewide average SDA methodology for payments to hospitals.

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65. **Medicaid Cost and Quality: Physician Payment for Quality.** Out of funds appropriated above in Goal B, Medicaid, the Health and Human Services Commission (HHSC) shall establish a committee of Texas physicians and HHSC representatives in order to determine the ten most overused services performed by physicians in Texas Medicaid, using national guidelines related to unnecessary medical procedures as the basis for this determination. Based on these determinations, HHSC shall decrease Medicaid payments for those services that should not be provided. Physicians will maintain the right to appeal the decision in individual cases.	
66. **Medicaid Cost and Quality: Use of Nurse Practitioner/Physician Extenders.** Out of funds appropriated above in Goal B, Medicaid, the Health and Human Services Commission (HHSC) shall establish a Grand Aides Program that uses nurse practitioner/physician extenders ("Grand Aides") to serve clients receiving Medicaid services. Grand-Aides are senior members of the community, who, as part of a team under close supervision by a nurse practitioner or physician, shall use protocols by telephone and home visit with "portable telemedicine" for simple conditions such as colds, to reduce inappropriate Emergency Department visits by 25 percent. HHSC shall report the results of this program, including cost and quality measures, to the Senate Finance Committee and the House Appropriations Committee by December 1, 2012.	
	67. **Supplemental Payments.** To the extent allowable by law, the Health and Human Services Commission shall not pay to a hospital an amount that exceeds the hospital's combined Medicaid allowable cost and uncompensated care cost, including Disproportionate Share Hospital and Upper Payment Limit payments.
67. **Medicaid Cost and Quality: Medicaid Long Term Care: Durable Power of Attorney.** The Health and Human Services Commission (HHSC) shall determine if there are costs savings, improvements to quality of care, and increases in patient and family satisfaction that result from requiring all Medicaid patients admitted to long-term care to assign a Durable Power of Attorney. HHSC shall also determine whether to include an advance directive as part of the Durable Power of Attorney. If HHSC determines that significant cost savings and significant	

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quality improvements can be achieved, HHSC shall implement a pilot program to test the system.

HHSC shall report on the results of the testing, including patient and family satisfaction, as well as cost implications associated with having an advance directive. The report shall be submitted to the Senate Finance Committee and the House Appropriations Committee before December 1, 2012.

68. **Medicaid Cost and Quality: Preventive Care.** Out of funds appropriated above, the Health and Human Services Commission (HHSC) shall determine:

a. preventive services that would reduce costs to the Medicaid program, including those currently covered by Medicaid and those that could be covered by Medicaid. This determination shall include analysis of preventive services for children, disabled and elderly clients currently eligible for Medicaid as well as services for adults who may become eligible for Medicaid under the Patient Protection and Affordable Care Act; and

b. strategies to increase the use of such programs by providers and by Medicaid recipients.

HHSC is authorized to work in cooperation with a Texas academic institution to complete the analysis.

A report on the findings shall be submitted by HHSC to the Senate Finance Committee and the House Appropriations Committee by December 1, 2012.

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68. **Proper Use of Upper Payment Limit Funds.** It is the intent of the Legislature that Upper Payment Limit amounts disbursed by Health and Human Services Commission shall only be used to compensate for direct patient care and shall not be used for capital improvement or investments.

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69. **Pediatric Health Home Medicaid Pilot Project.** Out of funds appropriated above in Goal B, Medicaid, the Health and Human Services Commission (HHSC) shall support a Pediatric Health Home Medicaid Pilot project in conjunction with the University of Texas Health Science Center at Houston (UTHealth) in order to improve quality of care and reduce costs. The pilot project should attain these goals by transforming an existing UTHealth pediatric clinic into a Health Home for pediatric Medicaid patients.

70. **Medicaid Cost and Quality: Comprehensive Follow-up Care for High-risk Infants.** Out of funds appropriated above, the Health and Human Services Commission (HHSC) shall support a comprehensive follow-up program for premature, high-risk infants that has been demonstrated to reduce emergency room visits, pediatric intensive care unit (ICU) admissions, life-threatening illnesses, and total estimated cost. This program should serve infants who were (1) born at or before 30 weeks gestation, or (2) at or below 1000 grams birth weight, or (3) had major complications (e.g., development of chronic lung disease) before discharge from a neonatal ICU. Comprehensive care shall be provided in special follow-up clinics staffed by a small team of pediatricians and nurse practitioners. Expectations are for improved quality of care and reduced cost.

HHSC shall report cost and quality measures to the Senate Finance Committee and House Appropriations Committee by December 1, 2012.

71. **Medicaid Vitamin Coverage.** Contingent upon federal approval of a Texas Medicaid State Plan amendment providing vitamin and mineral supplements to Medicaid-eligible children, out of funds appropriated above in Goal B, Medicaid, the Health and Human Services Commission shall assign prices to vitamins and minerals dispensed at Vendor Drug Program (VDP)-enrolled pharmacies.

72. **Contingency Appropriation for House Bill 329.** Contingent on passage of House Bill 329, or similar legislation relating to a pilot program to establish a comprehensive access point for long term care services for aged and physically disabled individuals, by the Eighty-second Legislature, Regular Session, out of funds appropriated above in Goal A, HHS Enterprise

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Oversight and Policy, $100,000 in General Revenue Funds and $140,500 in estimated Federal Funds for fiscal year 2012 and $150,000 in General Revenue Funds and $202,526 in estimated Federal Funds for fiscal year 2013 shall be allocated to implement the provisions of the legislation. HHSC may transfer such amounts from this appropriation as may be needed to the Department of Aging and Disability Services to assist with implementation of the pilot and to directly fund the pilot site.

73. **Contingency for House Bill 945.** Contingent on passage of House Bill 945, or similar legislation relating to the establishment of an interagency council for addressing disproportionality, by the Eighty-second Legislature, Regular Session, the Health and Human Services Commission is appropriated $_____ for fiscal year 2012 and $_____ for fiscal year 2013 from General Revenue Funds, and $_____ for fiscal year 2012 and $_____ for fiscal year 2013 from Federal Funds to implement the provisions of the legislation.

74. **Contingency for House Bill 708.** Contingent on the passage of House Bill 708, all cost savings to the state actualized by this bill will be redistributed to the Health and Human Services Commission to use towards lessening the cuts in Medicaid reimbursement rates to primary care physicians.

75. **Prevent Eligibility Determination Fraud.** It is the intent of the Legislature that to prevent fraud and to maximize efficiencies, the Health and Human Services Commission shall use technology to identify the risk for fraud associated with applications for benefits, upon the completion of the rollout of the Texas Integrated Eligibility Redesign System (TIERS). Within the parameters of state and federal law, the commission shall set appropriate verification and documentation requirements based on the application's risk to ensure agency resources are targeted to maximize fraud reduction and case accuracy.

76. **Improve Efficiencies in Benefit Applications.** In order to improve efficiencies, the Health and Human Services Commission shall promote online submissions of applications for benefits administered by the agency. HHSC shall develop standards and technical requirements within

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six months following the statewide implementation of the Texas Integrated Eligibility Redesign System (TIERS), to allow organizations to electronically submit applications.

77. **Contingency for House Bill 1255.** Contingent upon the enactment of House Bill 1255, or similar legislation relating to programs, services, and information related to women's health, family planning, and human sexuality, by the Eighty-second Legislature, Regular Session, the Health and Human Services Commission shall be allocated funds consistent with the recommendation of the Legislative Budget Board in the fiscal note for House Bill 1255.

78. **Contingency for House Bill 1295.** Contingent on the enactment of House Bill 1295 or similar legislation related to the creation of a pilot program in one or more established Children's Health Insurance Program (CHIP) service areas that increases CHIP reimbursement rates to 100 percent of Medicare and simplifies the enrollment process, by the Eighty-second Legislature, the Health and Human Services Commission is appropriated $2,500,000 in

General Revenue Funds in fiscal year 2012 and $2,500,000 in General Revenue Funds in fiscal year 2013 in Strategy C.1.1, CHIP.

79. **Unexpended Balance Authority for Human Resources Upgrade.**

a. Unexpended Balance between Biennia. Unexpended balances in General Revenue Funds appropriated for the HHS HR/Payroll system upgrade in fiscal year 2011 (estimated to be $6,700,000) in strategy A.2.1, Consolidated Systems Support and B.1.4, Children & Medically Needy, are appropriated to the Health and Human Services Commission (HHSC) for the fiscal year beginning September 1, 2011, only upon prior written approval by the Legislative Budget Board and the Governor. These General Revenue Funds are contingent on an unexpended balance from fiscal year 2011. The amount of the appropriation is limited to the amount of the unexpended balance.

b. For authorization to expend the funds, HHSC shall submit a written request to the Legislative Budget Board and the Governor. At the same time, the agency shall provide a

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copy of the request to the Comptroller of Public Accounts. The request must be organized by fiscal year as follows:

(1) The following information shall be provided for the fiscal year with an unexpended balance:

(i) an explanation of the causes of the unexpended balance(s);

(ii) the amount of the unexpended balance(s) by strategy; and

(iii) the associated incremental change in service levels compared to performance targets in this Act for that fiscal year.

(2) The following information shall be provided for the fiscal year receiving the funds:

(i) an explanation of purpose for which the unexpended balance(s) will be used and whether the expenditure will be one-time or ongoing;

(ii) the amount of the expenditure by strategy;

(iii) the incremental change in service levels compared to performance targets in this Act for that fiscal year; and

(iv) the capital budget impact.

The request shall be considered to be approved unless the Legislative Budget Board or the Governor issues a written disapproval within 15 business days of the date on which the staff of the Legislative Budget Board concludes its review of the proposal to expend the funds and forwards its review to the Chair of the House Appropriations Committee, Chair of the Senate Finance Committee, Speaker of the House, and Lieutenant Governor.

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The Comptroller of Public Accounts shall not allow the use of unexpended balances authorized by the above subsection if the Legislative Budget Board provides notification to the Comptroller of Public Accounts that the requirements of this provision have not been satisfied.

c. HHSC shall also request the appropriate authority for transfers to other HHS agencies and increased assessments as directed by Article II, Special Provision Section 10 and Section 44, respectively.

80. **Medicaid Managed Care Expansion.** It is the intent of the Legislature that the Health and Human Services Commission shall not implement any Medicaid managed care expansion initiatives unless specific approval is received from CMS that protects Upper Payment Limit (UPL) program payments. This protection includes all Medicaid managed care expansion initiatives that affect hospital UPL payments.

UPL funds that are generated from the fee-for-service reimbursement system are not subject to the waiver.

If CMS fails to grant a waiver that protects UPL funds, HHSC will implement, for both STAR expansion and STAR+PLUS expansion areas, the system currently in place for STAR+PLUS where inpatient hospital services are reimbursed using the fee-for-service system and the managed care companies manage the care of the patient and receive incentives to achieve inpatient utilization reduction targets.

81. **Medicaid Waiver For Certain Populations.** Contingent on findings that a Medicaid waiver for the below populations is cost effective and feasible, the Health and Human Services Commission may seek a Medicaid waiver or waivers from the Centers for Medicare and Medicaid Services. The Medicaid waiver(s) should incorporate the following principles without reducing the health benefit plan for already eligible enrollees:

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65. **STAR+PLUS.** It is the intent of the Legislature that if federal approval is not granted for protection of hospital Upper Payment Limit (UPL) payments, the Health and Human Services Commission (HHSC) shall implement the STAR+PLUS expansion while keeping hospitals carved out of the model. Further, to the extent allowable by law, HHSC shall achieve the projected savings to the state, estimated to be $28,900,000 in General Revenue Funds, which includes the anticipated increases in premium tax, through rate reductions to inpatient and outpatient hospital rates, selective contracting, or other initiatives proposed by the commission.

66. **STAR.** It is the intent of the Legislature that if federal approval is not granted for protection of hospital Upper Payment Limit (UPL) payments, the Health and Human Services Commission (HHSC) shall not implement the expansion of STAR. Further, to the extent allowable by law, HHSC shall achieve the projected savings to the state, estimated to be $242,700,000 in General Revenue Funds, which includes the anticipated increases in premium tax, through rate reductions to inpatient and outpatient hospital rates, selective contracting, or other initiatives proposed by the commission.

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a. efficiently leverage state, local, federal and other funding to enable local government funds to be maximized by qualifying for federal Medicaid matching funds:

(1) increase state flexibility in its use of Medicaid funding for those certain populations;

(2) allow the state to be a more prudent purchaser and payer of health care for those certain populations;

(3) ensure Medicaid coverage for those certain populations;

b. cover through Medicaid the following certain populations:

(1) individuals receiving mental health services on the county level up to 200 percent FPL, and

(2) individuals receiving treatment for HIV/AIDS up to 150 percent FPL;

c. solicit broad-based stakeholder input.

Further, it is the intent of the Legislature that in leveraging state, local, and other funding that the commission employs the use of intergovernmental transfers and other procedures to ensure the highest level of federal match for the certain populations.

82. **Available Earnings from the Regional Trauma Account 5137.** If the total available earnings of the Regional Trauma Account 5137 (Red Light Camera Trauma Fund) exceeds the amount projected by the Comptroller of Public Accounts as eligible for distribution in a fiscal year in the 2012-13 fiscal biennium, that amount is appropriated under Strategy A.1.1, Enterprise Oversight and Policy, to the Health and Human Services Commission for the state fiscal year ending August 31, 2011, to be used to reimburse uncompensated trauma care.

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83. Agency Directive for Efficient and Effective Contractors. The agency is directed to give priority to contractors and service providers with evidence of operating in the most efficient and effective manner serving the highest number of clients in respective program areas.	
84. Medicaid Transfer from Cost Reimbursed Services to Children and Medically Needy. The amounts appropriated to the Health and Human Services Commission for Strategy B.2.1, Cost Reimbursed Services, include a reduction of $56,055,335 for each state fiscal year from the amount proposed in the house committee report for this Act.	

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Sec. 15. Rate Limitations and Reporting Requirements. Notwithstanding other provisions of this Act, the use of appropriated funds for a rate paid by a health and human services agency as listed in Chapter 531, Government Code, shall be governed by the additional specific limitations included in the provisions of this Section 15.

For purposes of the provisions of this Section 15, "rate" is defined to include all provider reimbursements (regardless of methodology) that account for significant expenditures by a health and human services agency as listed in Chapter 531, Government Code. "Fiscal impact" is defined as an increase in expenditures due to either a rate change or establishment of a new rate, including the impact on all affected programs. Additionally, estimates of fiscal impacts should: 1) be based on the most current caseload forecast submitted by the Health and Human Services Commission pursuant to other provisions in this Act, 2) include the impact on all affected programs, and 3) specify General Revenue Funds, TANF Federal Funds, and All Funds.

a. **Rate Increases Authorized in this Act**. Except as approved by the Legislative Budget Board and Governor through the process as provided in this Section 15, no rate increases may be made or new rates established using funds appropriated by this Act.

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Sec. 15. Rate Limitations and Reporting Requirements. Notwithstanding other provisions of this Act, the use of appropriated funds for a rate paid by a health and human services agency as listed in Chapter 531, Government Code, shall be governed by the additional specific limitations included in the provisions of this Section 15.

For purposes of the provisions of this Section 15, "rate" is defined to include all provider reimbursements (regardless of methodology) that account for significant expenditures by a health and human services agency as listed in Chapter 531, Government Code. "Fiscal impact" is defined as an increase in expenditures due to either a rate change or establishment of a new rate, including the impact on all affected programs. Additionally, estimates of fiscal impacts should: 1) be based on the most current caseload forecast submitted by the Health and Human Services Commission (HHSC) pursuant to other provisions in this Act, 2) include the impact on all affected programs, and 3) specify General Revenue Funds, TANF Federal Funds, and All Funds.

a. **Rate Increases in this Act**. Included in appropriations made elsewhere in this Act are General Revenue Funds and Federal Funds for the following specific rate increases and new rates:

(1) New premium rates for managed care organizations (MCO) contracting with HHSC for the expansion of the managed care model for the provision of Medicaid services assumed in this Act, such as geographical expansion and inclusion of services to be 'carved in' including, but not limited to, prescription drugs, inpatient hospital services, dental services and transportation. HHSC shall submit a written request pursuant to section (b) below, which should also include information on the rate basis for the MCO reimbursements to providers.

(2) New rates, bundled payments, or increased or reduced rates related to cost-containment initiatives included in HHSC Rider 58, Medicaid Funding Reduction. At least 30 calendar days prior to the payment of the proposed new rate, bundled payment, or increased rate related to cost-containment initiatives, HHSC shall submit a written notification to the Legislative Budget Board, the Governor, and the State Auditor with the following information:

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(i) a description of the cost-containment initiative;

(ii) a list of each rate for which an increase is proposed or for each new rate;

(iii) an estimate of the fiscal impacts of each rate increase or new rate, by agency and by fiscal year; including the amount of General Revenue Funds, TANF Federal Funds, and All Funds, by fiscal year; and

(iv) the estimated savings to be achieved from the cost containment initiative that is assumed in the appropriation levels included above.

b. **Limitation on Rate Increases Not Authorized in this Act**. Without the prior written approval of the Legislative Budget Board and the Governor, no agency listed in Chapter 531, Government Code, may pay an increased rate or establish a new rate that is not specifically authorized under Subsection (a) above.

To request authorization for such a rate increase or to establish a new rate, the Executive Commissioner of the Health and Human Services Commission shall submit a written request to the Legislative Budget Board and the Governor at least 60 calendar days prior to implementation. At the same time, the Executive Commissioner shall provide a copy of the request to the Comptroller of Public Accounts. The request shall include the following information:

(1) a list of each rate for which an increase is proposed or for each new rate;

(2) an estimate of the fiscal impacts of eachrate increase or new rate, by agency and by fiscal year; including the amount of General Revenue Funds, TANF Federal Funds, and All Funds, by fiscal year.

The request shall be considered to be approved unless the Legislative Budget Board or the Governor issues a written disapproval within 15 business days of the date on which the staff

b. **Limitation on Rate Increases Not Authorized in this Act**. Without the prior written approval of the Legislative Budget Board and the Governor, no agency listed in Chapter 531, Government Code, may pay an increased rate or establish a new rate that is not specifically authorized under Subsection (a)(2) above or Subsection (c) below.

To request authorization for such a rate increase or to establish a new rate, the Executive Commissioner of the Health and Human Services Commission shall submit a written request to the Legislative Budget Board and the Governor at least 60 calendar days prior to implementation. At the same time, the Executive Commissioner shall provide a copy of the request to the Comptroller of Public Accounts. The request shall include the following information:

(1) a list of each rate for which an increase is proposed or for each new rate; and

(2) an estimate of the fiscal impacts of each rate increase or new rate, by agency and by fiscal year, including the amount of General Revenue Funds, TANF Federal Funds, and All Funds, by fiscal year.

The request shall be considered to be approved unless the Legislative Budget Board or the Governor issues a written disapproval within 15 business days of the date on which the staff

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of the Legislative Budget Board concludes its review of the request for authorization for the rate and forwards its review to the Chair of the House Appropriations Committee, Chair of the Senate Finance Committee, Speaker of the House, and Lieutenant Governor. Multiple risk groups may be reported at an aggregate level, and acute care services may be reported by rate category.	of the Legislative Budget Board concludes its review of the request for authorization for the rate and forwards its review to the Chair of the House Appropriations Committee, Chair of the Senate Finance Committee, Speaker of the House, and Lieutenant Governor. Multiple risk groups may be reported at an aggregate level, and acute care services may be reported by rate category.
	c. HHSC shall provide notification in a quarterly report that includes a list of each rate change, including the initial rate and the proposed new rate and the estimated biennial fiscal impact of the change by agency, fiscal year, and each method of finance to the Legislative Budget Board, the Governor, and the Comptroller of Public Accounts for the following rate changes: (1) any rate change that is estimated to have an annual impact of less than $500,000 in General Revenue-Related Funds or TANF Federal Funds; (2) new rates for new procedure codes required to conform to the federal Healthcare Common Procedure Coding System (HCPCS); and (3) revised rates occurring as a result of a biennial rate review (Biennial Calendar Fee Review). The rate changes included in the quarterly report shall be identified under the categories listed above. The report shall include a total for the estimated biennial net impact of all of the changed rates for each agency by method of finance. The rate changes under categories (2) and (3) may be reported at the aggregate level.
c. Additional information requested by the Legislative Budget Board or the Governor should be provided in a timely manner. Notifications, requests and information provided subsequently shall be prepared in a format specified by the Legislative Budget Board.	d. Additional information requested by the Legislative Budget Board or the Governor should be provided in a timely manner. Notifications, requests and information provided subsequently shall be prepared in a format specified by the Legislative Budget Board.

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d. The Office of the State Auditor may review the fiscal impact information provided along with supporting documentation, supporting records, and justification for the rate increase provided by the Health and Human Services Commission and report back to the Legislative Budget Board and the Governor before the rate is implemented by the Health and Human Services Commission or operating agency.

e. The Comptroller of Public Accounts shall not allow the expenditure of funds for a new or increased rate if the Legislative Budget Board provides notification to the Comptroller of Public Accounts that the requirements of this provision have not been satisfied.

Sec. 41. Appropriation of Receipts: Civil Monetary Damages and Penalties. Included in the amounts appropriated above for the 2012-13 biennium are the following:

a. $2,660,000 in General Revenue Match for Medicaid for the Department of Aging and Disability Services;

b. $1,414,870 in General Revenue Match for Medicaid for the Health and Human Services Commission; and

c. $520,000 in General Revenue for the Department of State Health Services.

These amounts are contingent upon the collection of civil monetary damages and penalties under Human Resources Code § 32.021 and Health and Safety Code § 431.047. Any amounts collected above these amounts by the respective agency are hereby appropriated to the respective agency in amounts equal to the costs of the investigation and collection proceedings conducted under those sections, and any amounts collected as reimbursement for claims paid by the agency.

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e. The Office of the State Auditor may review the fiscal impact information provided along with supporting documentation, supporting records, and justification for the rate increase provided by the Health and Human Services Commission and report back to the Legislative Budget Board and the Governor before the rate is implemented by the Health and Human Services Commission or operating agency.

f. The Comptroller of Public Accounts shall not allow the expenditure of funds for a new or increased rate if the Legislative Budget Board provides notification to the Comptroller of Public Accounts that the requirements of this provision have not been satisfied.

Sec. 41. Appropriation of Receipts: Civil Monetary Damages and Penalties. Included in the amounts appropriated above for the 2012-13 biennium are the following:

a. $2,660,000 in General Revenue Match for Medicaid for the Department of Aging and Disability Services;

b. $1,414,870 in General Revenue Match for Medicaid for the Health and Human Services Commission; and

c. $520,000 in General Revenue for the Department of State Health Services.

These amounts are contingent upon the collection of civil monetary damages and penalties under Human Resources Code §§ 32.021 and 32.039, and Health and Safety Code § 431.0585. Any amounts collected above these amounts by the respective agency are hereby appropriated to the respective agency in amounts equal to the costs of the investigation and collection proceedings conducted under those sections, and any amounts collected as reimbursement for claims paid by the agency.

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Sec. 45. Fraud Detection. Out of funds appropriated above in Strategy G.1.1, Office of Inspector General, the Health and Human Services Commission, Office of the Inspector General (OIG) shall employ strategies to improve systems for the detection, prevention and prosecution of fraud, waste, and abuse. The OIG shall utilize advanced analytics, including predictive modeling, anomaly detection, and social network analysis, in an effort to identify and prevent improper reimbursements from occurring, as well as identify and recover previous improper reimbursements. Through the use of advanced analytics, the OIG shall identify and realize an additional $50,000,000 in General Revenue savings. These savings are assumed above in Strategy B.1.4, Children & Medically Needy.	**Sec. 45. Health and Safety Cost Savings Initiatives at the Department of State Health Services.** Funding appropriated above elsewhere in this Act for the 2012-13 biennium reflect a reduction of $8,724,682 in General Match for Medicaid ($20,773,052 in All Funds) to the Health and Human Services Commission in Goal B, Medicaid, and an increase of $8,724,682 in General Revenue Funds to the Department of State Health Services (DSHS) in the following strategies: a. $1,795,713 in Strategy A.1.2, Registries, Info, and Vital Records, for preventable adverse events data reporting; b. $264,893 in Strategy A.1.2, Registries, Info, and Vital Records, for targeted interventions for Health Care Associated Infections (HAIs); c. $564,076 in Strategy A1.2, Registries, Info, and Vital Records, for quality assurance teams for reducing HAIs; d. $4,100,000 in B.1.2, Women and Children's Health, for healthy baby initiatives; and e. $2,000,000 in Strategy A.3.1, Chronic Disease Prevention, for preventative hospitalization projects.

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Sec. 46. Information on Funding Provided for Provider Rates. Appropriations made elsewhere in this Act reflect reductions to provider rates for the 2012-13 biennium as identified below. All identified reductions for fiscal years 2012 and 2013 are intended to be calculated based on the rates in effect on August 31, 2010 and are in addition to cumulative rate reductions made during fiscal year 2011, also identified below. Reductions are intended to be applied to all delivery models, including managed care. No additional reductions shall be made unless requested and approved according to the process required by Article II Special Provisions, Section 15 (b) for rate increases.

	FY 2011	2012-13 Biennium
a. Department of Aging and Disability Services		
(1) Home and Community-based Services (HCS)	-2%	-1%
(2) Nursing Facilities	-3%	0%
(3) Intermediate Care Facilities - MR	-3%	-2%
b. Health and Human Services Commission		
(1) CHIP Physicians	-2%	0%
(2) Other CHIP Providers	-2%	-8%
(3) Medicaid Physician Services	-2%	0%
(4) Medicaid Hospital Services, excluding those reimbursed under TEFRA	-2%	-8%
(5) Medicaid Dental and Orthodontic Services	-2%	0%

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	(6) Medicaid Durable Medical Equipment	-2%	-10.5%
	(7) Medicaid Laboratory Services	-2%	-10.5%
	(8) Other Medicaid Providers	-2%	-3%

Sec. 46. Contingency Appropriation for House Bill 275: Priority for Additional Funding in Article II. Contingent upon the passage and enactment of House Bill 275, relating to making an appropriation of money from the Economic Stabilization Fund for expenditure during the current state fiscal biennium, or similar legislation, by the Eighty-second Legislature, Regular Session, 2011, the following health and human services agencies as listed in Chapter 531, Government Code, are hereby appropriated, elsewhere in this Act, $2,000,000,000 in General Revenue Funds, which has been allocated to the appropriate strategies as indicated below, for the 2012-13 biennium for the following purposes:

	General Revenue Funds	All Funds
a. **Department of Aging and Disability Services**	**$112,803,199**	**$112,803,199**
(1) Safety Net Programs	112,803,199	112,803,199
(i) In-Home Family Support (A.4.4.)	4,989,907	4,989,907
(ii) In-Home Family Support-MR (A.4.5.)	5,721,740	5,721,740
(iii) MR Community Services (A.4.2.)	102,091,552	102,091,552

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b. **Department of Family and Protective Services**	**$85,241,844**	**$93,476,574**
(1) Relative/Other Designated Caregiver Program	37,241,844	37,241,844
(i) Day Care (restore and expand) (B.1.4.)	18,291,284	18,291,284
(ii) Home Assessments (B.1.10.)	4,422,834	4,422,834
(iii) Monetary Assistance (B.1.13.)	14,527,726	14,527,726
(2) CPS Direct Delivery Staff (B.1.1.) (565.0/565.0 FTEs)	48,000,000	56,234,730
c. **Health and Human Services Commission**	**$1,801,954,957**	**$4,333,706,005**
(1) Funding for Medicaid Caseloads (B.1.4.)	1,801,954,957	4,333,706,005
Grand Total	**$2,000,000,000**	**$4,539,985,778**

Sec. 47. Reporting Requirements for Confirmed Acts of Abuse Committed by Licensed Professionals Employed by the State. The Department of Aging and Disability Services, the Department of State Health Services, and the Department of Family and Protective Services shall each submit a report to the Legislative Budget Board and the Governor by May 15, 2012, that identifies gaps in their processes and policies, corrective actions, and efforts taken to ensure interagency coordination for reporting all licensed professionals who have committed confirmed acts of abuse, neglect, or exploitation while employed as a state employee. The report should include the following information:

a. documentation of any peer review processes for reporting licensed professionals;

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b. identification of corrective steps taken to comply with statutory requirements for reporting any licensed professionals who have committed confirmed acts of abuse, neglect, or exploitation to their respective professional licensing boards; and

c. identification of the number of persons reported to each licensing board, by fiscal year, beginning in fiscal year 2012.

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Sec. 47. Statutorily Required Reports. Out of funds appropriated above, the Health and Human Services Commission, on behalf of health and human services agencies governed by Chapter 531, Government Code, may request approval from the Legislative Budget Board and the Governor to not prepare or distribute a report due to decreases in funding. The request shall include the purpose of the report in question, the statutory reference directing the report, and the estimated cost of preparing and distributing the report.

The request shall be considered to be approved unless the Legislative Budget Board or the Governor issues a written disapproval within 15 business days of the date on which the staff of the Legislative Budget Board concludes its review of the request and forwards its review to the Chair of the House Appropriations Committee, Chair of the Senate Finance Committee, Speaker of the House, and Lieutenant Governor.

Sec. 48. Appropriation Authority for Intergovernmental Transfers.

a. In addition to funds appropriated above and in an effort to maximize the receipt of federal Medicaid funding, the Health and Human Services Commission and the Department of Aging and Disability Services may expend intergovernmental transfers received as appropriated Receipts-Match for Medicaid for the purpose of matching Medicaid federal funds for payments to Medicaid providers.

b. For authorization to expend the funds, HHSC shall submit a written request to the Legislative Budget Board and the Governor. At the same time, the agency shall provide a copy of the request to the Comptroller of Public Accounts. The request shall include

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	information regarding the strategy allocation of the IGT, the amount requested in each fiscal year, the All Funds impact to the budget, the impact to the rate or premium for which the IGT will be used (subject to Special Provisions, Section 15 approval), and the specific purpose and program for which the funds will be used. The request must also include a copy of a written agreement from the governmental entity that is transferring the funds that the funding be spent in the manner for which it is being requested. The request shall be considered to be approved unless the Legislative Budget Board or the Governor issues a written disapproval within 15 business days of the date on which the staff of the Legislative Budget Board concludes its review of the proposal to expend the funds and forwards its review to the Chair of the House Appropriations Committee, Chair of the Senate Finance Committee, Speaker of the House, and Lieutenant Governor. The Comptroller of Public Accounts shall not allow the use of the funds if the Legislative Budget Board provides notification to the Comptroller of Public Accounts that the requirements of this provision have not been satisfied.
Sec. 48. Evaluate and Report on Case Management Services. The Health and Human Service Commission shall coordinate an evaluation of targeted case management services delivered in the Medicaid program and other programs that provide case management services across all health and human service agencies. The commission shall identify the number of programs with case management and evaluate the method of delivery through state employees or contractors and the impact of case management services to clients. The evaluation may recommend improvements or changes in services and programs to streamline case management services. The Health and Human Services Commission shall submit findings to the Governor and the Legislative Budget Board by December 1, 2012.	
Sec. 49. Maintenance of Certain Program Service Levels. Funds appropriated in this Act are based on projections of the amounts needed to maintain current or legislatively authorized eligibility criteria, service or staffing levels, and provider payment levels for the following Article II entitlement and critical health care programs:	

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a. Entitlement Programs

(1) Medicaid - Acute and Long-term Care

(2) Early Childhood Intervention

(3) Foster Care

(4) Adoption Subsidies

b. Critical Health Programs

(1) State Hospitals

(2) Children's Health Insurance (CHIP)

In the event that appropriations made for these purposes are insufficient to sustain enrollments and services for any of the entitlement or critical health programs listed above, it is the intent of the Legislature that the executive commissioner (1) notify the Legislative Budget Board and the Governor of any projected shortfalls and describe factors contributing to costs in excess of appropriated levels, and (2) submit options that may be considered by the Legislative Board and the Governor that would reduce or eliminate projected funding shortfalls and assess the impact that each option would have on enrollments, service or staffing levels, projected payments, or federal funding.

This provision is not intended to prohibit programmatic changes or adjustments that are necessary to ensure prudent and responsible administration of the affected program.

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Sec. 49. HHS Office Consolidation and Co-location. It is the intent of the Legislature that the executive commissioner may consolidate or further co-locate local offices in an attempt to reduce the need for office space in local and regional offices. Before consolidation of any offices, the commissioner shall evaluate the current and future space needs of each HHS agency. This evaluation

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may also include employee usage and travel status, facility costs, facility location, facility condition, Texas Accessibility Standards, and safety.

Sec. 50. Medicaid Managed Care Premium Rate Notification Requirements. The Health and Human Services Commission (HHSC) shall report to the Legislative Budget Board and the Governor's Office of Budget and Planning on the use of appropriated funds for premium rates paid to Medicaid managed care organizations, as listed in Chapter 533, Government Code, in the manner stipulated by this provision.

Prior to the submission of a proposed premium rate, the commission shall ensure that such proposals have been 1) certified by an independent actuary, 2) are in compliance with Social Security Act 1903(M)(2)(A), and 3) comport with premium rate requirements of the Centers for Medicare and Medicaid Services and Chapter 533.013, Government Code. No agency subject to this provision shall take action that causes a premium rate to be actuarially unsound.

Upon initiation of the development of premium rates, HHSC shall notify the Legislative Budget Board (LBB) and the Governor's Office of Budget and Planning, in a format developed by the LBB and HHSC, of the premium rate development schedule and provide data, updated caseload and case-mix experience for the rate year, and an explanation of factors which contribute to the development of premium rates.

Sec. 51. Medicaid Funding Transparency. Not later than December 31, 2012, the Legislative Budget Board, in cooperation with the Health and Human Services Commission, shall submit to the Legislature and publish on the commission's Internet website a report of the total amounts appropriated elsewhere in this Act for Medicaid for the agencies and programs included below.

a. **Methods of Financing**. Funding shall be reported using the following methods of financing for each program. The report shall include the grand total for each method of financing along with agency totals by fiscal year.

(1) General Revenue for Medicaid

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(2) Tobacco Settlement Receipts for Medicaid
(3) General Revenue-Dedicated
(4) Federal Funds
(5) Interagency Contracts
(6) Medicaid Subrogation Receipts
(7) Appropriated Receipts - Match for Medicaid
(8) MR Collections for Patient Support & Maintenance
(9) Foundation School Fund

b. **Programs**. The report shall include funding amounts described in subsection (a) for the following programs.

(1) Department of Aging and Disability Services

(i) Community Care Services
(ii) Nursing Home Services
(iii) Home and Community-based Services Waivers
(iv) Intermediate Care Facilities for Persons with Mental Retardation (ICF-MR)
(v) Hospice Care
(vi) Facility/Community-based Regulation
(vii) Credentialing/Certification

(2) Department of Assistive and Rehabilitative Services

(i) Targeted Case Management
(ii) Early Childhood Intervention

(3) Department of State Health Services

(i) Mental Health Assessment and Service Coordination
(ii) Mental Health Rehabilitation

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(iii) Institutions for Mental Diseases

(4) Health and Human Services Commission

(i) Hospital/Physician Services
(ii) Prescription Medications
(iii) Managed Care Services
(iv) Medicare Payments
(v) Disproportionate Share Hospitals
(vi) Targeted Case Management
(vii) School Health and Related Services
(viii) Early Periodic Screening, Diagnosis and Treatment
(ix) Family Planning
(x) Eligibility Determination
(xi) Rate Setting
(xii) Program Policy

(5) Texas Education Agency - School Health and Related Services

c. **Performance Reporting**. Where appropriate, the report shall include the unduplicated average monthly caseload for each fiscal year for the programs listed in subsection (b).