



## LEGISLATIVE BUDGET BOARD

# Statewide Behavioral Health

## Overview and Funding

**PRESENTED TO THE HOUSE COMMITTEE ON APPROPRIATIONS**

**LEGISLATIVE BUDGET BOARD STAFF**

**February 2017**

# Statewide Behavioral Health

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- House Bill 1, Introduced provides \$3.5 billion in All Funds (\$2.8 billion in General Revenue and General Revenue-Dedicated Funds) for non-Medicaid/CHIP behavioral health services at 18 agencies across 6 articles.
- Total behavioral health-related funding including estimated Medicaid and CHIP expenditures is estimated to be \$7.1 billion in All Funds for the biennium, an increase of approximately 3.4 percent from the 2016-17 spending level.
  - Estimated \$3.6 billion in behavioral health-related Medicaid expenditures (including cost growth that is not funded in the Introduced Bill).
  - Estimated \$47.2 million in behavioral health-related CHIP expenditures.
- Recommendations include \$2.8 billion in All Funds (\$2.1 billion in General Revenue and General Revenue – Dedicated Funds) at the Health and Human Services Commission, which represents 73.8 percent of the total recommended non-Medicaid General Revenue for behavioral health.
- Recommendations include \$62.6 million in General Revenue to address the current and projected waiting lists for community mental health services for adults and children and \$95.6 million in General Revenue contingent on legislation introduced by the House Select Committee on Mental Health.

# Statewide Behavioral Health

## (non-Medicaid/CHIP) (in millions)

Agency	2016-17 Biennium		2018-19 Biennium	
	Estimated / Budgeted		Recommended	
	General Revenue Related	All Funds	General Revenue Related	All Funds
Office of the Governor	\$ 6,832,314	\$ 15,298,365	\$ 7,000,000	\$ 14,800,000
Texas Veterans Commission	\$ -	\$ 7,210,000	\$ -	\$ 6,983,021
<b>Article I Subtotal</b>	<b>\$ 6,832,314</b>	<b>\$ 22,508,365</b>	<b>\$ 7,000,000</b>	<b>\$ 21,783,021</b>
Department of Family and Protective Services	\$ 29,609,538	\$ 54,481,464	\$ 26,809,128	\$ 52,846,472
Department of State Health Services	\$ 1,334,513,026	\$ 1,912,081,683	\$ -	\$ -
Health and Human Services Commission	\$ 33,477,516	\$ 77,640,742	\$ 24,067,140	\$ 32,378,664
HHSC, Legacy Department of Aging and Disability Services	\$ 18,316,945	\$ 18,633,889	\$ 18,316,946	\$ 18,950,834
HHSC, Legacy Department of State Health Services	\$ 656,849,044	\$ 937,565,618	\$ 2,021,148,780	\$ 2,715,752,653
Texas Civil Commitment Office	\$ 309,222	\$ 309,222	\$ 309,222	\$ 309,222
<b>Article II Subtotal</b>	<b>\$ 2,073,075,291</b>	<b>\$ 3,000,712,618</b>	<b>\$ 2,090,651,216</b>	<b>\$ 2,820,237,845</b>
University of Texas - Health Science Center at Houston	\$ 12,000,000	\$ 12,000,000	\$ 16,000,000	\$ 16,000,000
University of Texas - Health Science Center at Tyler	\$ 8,000,000	\$ 8,000,000	\$ 8,000,000	\$ 8,000,000
Texas Tech University Health Sciences Center	\$ -	\$ 1,275,008	\$ -	\$ -
<b>Article III Subtotal</b>	<b>\$ 20,000,000</b>	<b>\$ 21,275,008</b>	<b>\$ 24,000,000</b>	<b>\$ 24,000,000</b>
Court of Criminal Appeals	\$ -	\$ -	\$ 375,000	\$ 375,000
<b>Article IV Subtotal</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 375,000</b>	<b>\$ 375,000</b>
Texas Department of Criminal Justice	\$ 496,664,928	\$ 501,775,520	\$ 496,664,928	\$ 501,775,520
Texas Juvenile Justice Department	\$ 172,164,632	\$ 175,787,186	\$ 171,486,663	\$ 175,108,307
Texas Military Department	\$ 1,276,600	\$ 1,276,600	\$ 1,276,600	\$ 1,276,600
Commission on Jail Standards	\$ -	\$ -	\$ 246,030	\$ 246,030
<b>Article V Subtotal</b>	<b>\$ 670,106,160</b>	<b>\$ 678,839,306</b>	<b>\$ 669,674,221</b>	<b>\$ 678,406,457</b>
Texas State Board of Dental Examiners	\$ 248,500	\$ 248,500	\$ 248,500	\$ 248,500
Texas State Board of Pharmacy	\$ 467,325	\$ 467,325	\$ 467,325	\$ 467,325
Texas Board of Veterinary Medical Examiners	\$ 60,000	\$ 60,000	\$ 60,000	\$ 60,000
Texas Optometry Board	\$ 72,000	\$ 72,000	\$ 72,000	\$ 72,000
Texas Board of Nursing	\$ 1,747,116	\$ 1,747,116	\$ 1,747,116	\$ 1,747,116
Texas Medical Board	\$ 1,086,111	\$ 1,086,111	\$ 1,084,984	\$ 1,084,984
<b>Article VIII Subtotal</b>	<b>\$ 3,681,052</b>	<b>\$ 3,681,052</b>	<b>\$ 3,679,925</b>	<b>\$ 3,679,925</b>
<b>Cross Article Non-Medicaid/CHIP Total</b>	<b>\$ 2,773,694,817</b>	<b>\$ 3,727,016,349</b>	<b>\$ 2,795,380,362</b>	<b>\$ 3,548,482,248</b>

# Statewide Behavioral Health

## (Medicaid and CHIP)

	2016-17 Biennium	2018-19 Biennium
	Estimated / Budgeted	Recommended
	All Funds	All Funds
<b>Cross Article Non-Medicaid/CHIP Total</b>	<b>\$ 3,727,016,349</b>	<b>\$ 3,548,482,248</b>
Estimated Behavioral Health Related Medicaid Expenditures*	\$ 3,155,365,665	\$ 3,565,706,350
Estimated Behavioral Health Related CHIP Expenditures*	\$ 41,103,239	\$ 47,199,329
<b>Medicaid and CHIP Subtotal</b>	<b>\$ 3,196,468,904</b>	<b>\$ 3,612,905,679</b>
<b>Cross Article Total with Medicaid and CHIP</b>	<b>\$ 6,923,485,253</b>	<b>\$ 7,161,387,927</b>
<b>Percent Change from Previous Biennium</b>		<b>3.4%</b>

\* Estimated Behavioral Health Related Medicaid Expenditures and CHIP expenditures include projected cost growth that is not funded in the Introduced Bill.

- Estimated behavioral health related Medicaid expenditures reflect the carve-in to managed care of Medicaid behavioral health services previously provided through the NorthSTAR program and the carve-in of certain children’s mental health services with the rollout of STAR Kids in November 2016. 2016-17 Estimated/Budgeted amounts for these services are shown as direct agency appropriations.

# State Hospitals

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- The State Hospital system, which will transfer to the Health and Human Services Commission in fiscal year 2018, consists of 10 state mental health facilities that provide intensive inpatient diagnostic, treatment, rehabilitative, and referral services for seriously mentally ill persons. Populations served include adults, children, and forensic commitments.
- Recommendations for the state hospitals include \$834.5 million in All Funds (\$628.6 million in General Revenue Related Funds) for the 2018-19 biennium.
- Agency revised exceptional items no longer include items for repair and renovation or new construction of state hospitals.
  - However, the estimated deferred maintenance cost for state hospitals is \$145.1 million as of March 16, 2016, with a total project cost of \$222.0 million. Project cost includes costs for construction, management, surveying and testing, administration fees, environmental abatement, construction contingencies, etc.

# Article IX Section 10.04

## (2016-17 GAA, Eighty-fourth Legislature, 2015)

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- Article IX Sec. 10.04, Statewide Behavioral Health Strategic Plan and Coordinated Expenditures (2016-17 GAA, Eighty-fourth Legislature, 2015):
  - Defines behavioral health services as programs or services concerned with research, prevention, detection, and treatment of mental disorders and disabilities, including persons whose mental disorders or disabilities result from alcoholism or drug addiction;
  - Identifies agencies appropriated funds for behavioral health programs/ services;
  - Establishes Statewide Behavioral Health Coordinating Council;
  - Requires Statewide Behavioral Health Strategic Plan; and
  - Requires coordination of fiscal year 2017 behavioral health expenditures.
- The Statewide Behavioral Health Coordinating Council submitted the Strategic Plan in May 2016 and the Coordinated Expenditure Proposal in June 2016.
- The Coordinating Council presented a consolidated Legislative Appropriations Request and Exceptional Item review for behavioral health on behalf of member agencies.

# Article IX Section 10.04

## (House Bill 1, Introduced, Eighty-fifth Legislature)

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House Bill 1, Introduced amends Article IX Sec. 10.04, Statewide Behavioral Health Strategic Plan and Coordinated Expenditure Proposal to:

- Require annual updates to the strategic plan, inventory of behavioral health programs, and the coordinated expenditure proposal;
- Provide a breakout of the methods of financing in the informational listing of appropriations;
- Provide an estimate of Medicaid and CHIP behavioral health-related expenditures;
- Add the Texas Education Agency, Texas Workforce Commission, and the Department of Housing and Community Affairs to the membership of the council; and
- Update the informational listing of funding for behavioral health programs included in the recommendations.



## LEGISLATIVE BUDGET BOARD

### **Contact the LBB**

Legislative Budget Board

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